

NEWCASTLE MUNICIPALITY

ANNUAL REPORT
FOR 2006/2007

"TOGETHER WE CAN DO IT BETTER"



Disclaimer: Financial Information and performance report contained in this Annual Report are **UNAUDITED.**

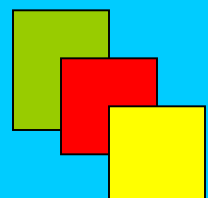


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CHAPTER ONE: INTRODUCTION

MAYOR 'S FOREWORD



Cllr C.L. Dube : Mayor of Newcastle Municipality

As the Newcastle Mayor and Chairperson of the Executive Committee, I present to you the Annual Report for the year 2006/07 .Please note that my term of office as Mayor of Newcastle was with effect from May 2007.The report provides an overview of the state of affairs of the municipality which form the baseline of the current year performance. The 2006/07-year saw a change in political leadership toward the final quarter of the year. Despite the change in political dynamics the organization continued to deliver services in a sustainable manner.

I can say without a shadow of doubt that performance is improving despite the various challenges facing the local government system in South Africa and in particular Newcastle. I commend the management team, which held forte while the politicians were busy .I would like to highlight the following key achievements attributed to the organization:

- The year ended with a surplus of R26,285,115-00 compared to a budgeted surplus of R7,066,596-00
- Actual income exceeded the budgeted income by R19,218,519-00
- Expenditure on our capital budget amounted to R31,651,947 in the 06/07 financial year

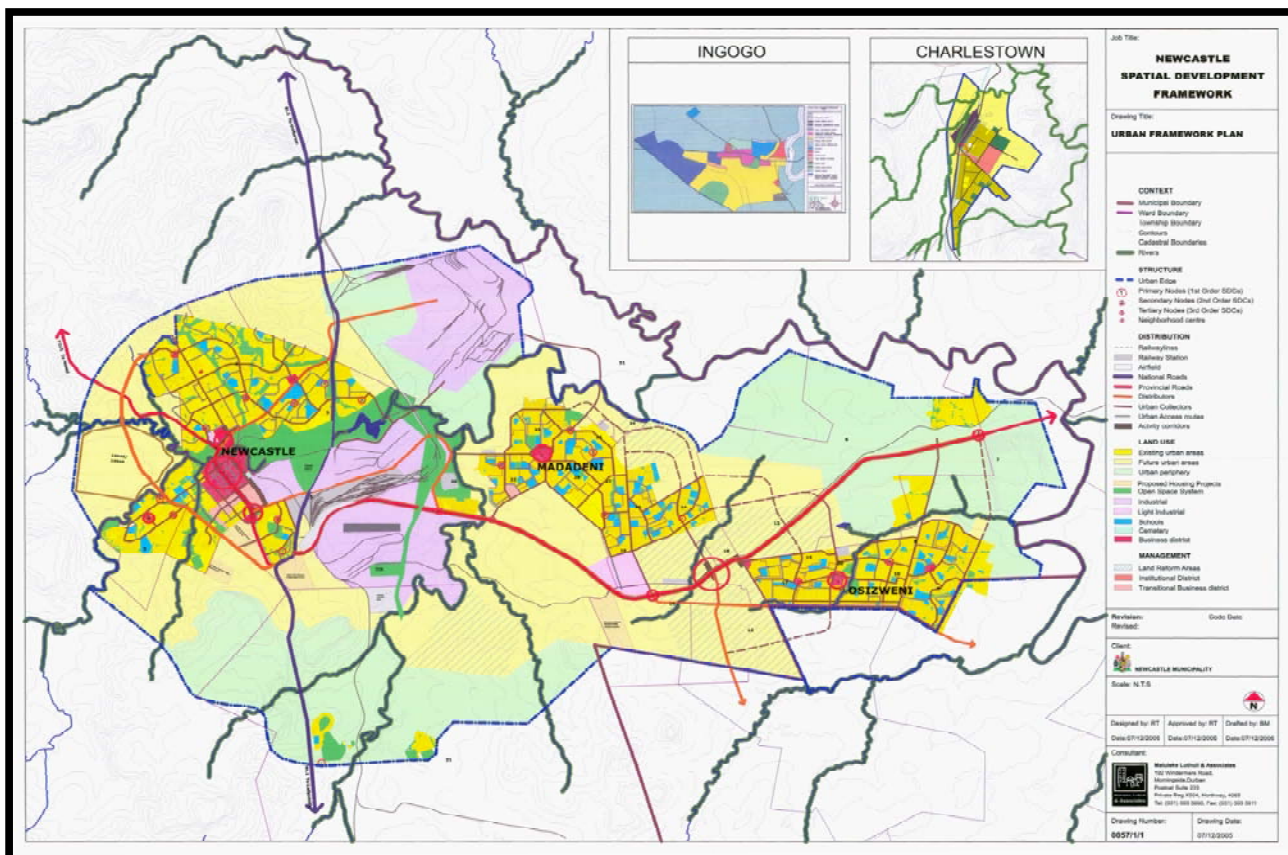
- External loans at the end of the financial year amounted to R38, 844,380-00 compared to R29, 009,829-00 in the 2005/06 year.
- Good progress has been made in improving the image of the organization and in enhancing public participation and overall municipal governance.
- The ward committees were established and trained and personnel to manage the ward committee system are continuously being capacitated.
- A focus on HIV and AIDS was strengthened through the development of programmes and strategies to manage HIV in the municipal area as well as ensuring the Local Aids Council is assisted in spearheading activities related to HIV support.

MUNICIPAL MANAGER 'S FOREWORD



Mr. B.E. Ntanzu
Municipal Manager

As the newly appointed Municipal Manager for Newcastle, I am thrilled to present to you the Newcastle Annual Report for the year 2006/07 in accordance with the legislative requirements as prescribed by the MFMA. The MFMA was promulgated to give legislative expression to accountability and transparency at the local government sphere. The annual report is an instrument used for financial and performance corrective action for the future years. In that regard, and noting that I was not the Accounting Officer in the year under review, my assessment of the municipal performance will form the baseline of my future performance as the head of administration and accounting officer for the Newcastle Municipality. I look forward to delivering improved services to the Newcastle Community at large and providing administrative direction to the Council but being mindful of the political dynamics under which the organisation is operating.



INTRODUCTION

The 2006/07 Annual Report reflects the performance of the Newcastle Municipality for the period 1 July 2006 to 30 June 2007. The report is prepared in terms of Section 12(1) of the Municipal Finance management Act. The purpose of the Annual Report is:

- To provide a record of activities of the municipality or municipal entity during the financial year the report relates
- To provide a report on performance against the budget and
- To promote accountability to the local community for the decisions made throughout the year by the municipality

Table 1: Legislative Requirements

SECTION	REQUIREMENT	LEGISLATIVE PROVISION	MANNER DEALT WITH
121 (3)(a)	Annual Report with consolidated financial statements	Annual Financial Statements and in addition if section 122(2) applies consolidated annual financial statements as submitted to the auditor general in terms of Section 126(1)	The report does not contain financial statements as they were not finalized in time. No financial statements have been received from Uthukela Water to enable the submission of consolidated statements
121 (3)(b)	Auditor General 's Audit Report	AG's report in terms of Section 126(3)	To be submitted once received from AG 's Office
121(3)(c)	Annual Performance Report	Annual Performance report prepared in terms of Section 46 of the Systems Act	Attached but not evaluated and unaudited
121(3)(d)	Auditor General 's Performance Audit Report	Auditor General 's Report in terms of Section 45(b) of the Municipal Systems Act	To be submitted once received from AG 's Office
121(3)(e)	Accounting officer's assessment of arrears	Assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges	Included
121(3)(f)	Accounting officer 's assessment of performance on each vote of the budget	Assessment by the municipality 's Accounting Officer of the municipality's performance against measurable performance objectives referred to in section 17(3)(b) for each vote in the municipality 's approved budget for the relevant financial year	Included in annual performance report
121(3)(g)	Audit Corrective Actions	Particulars of any corrective action taken or to be taken in	Awaiting AG's Report

		response to issues raised in the audit reports referred to in paragraph b and d	
121 (3)(h)	Explanations to clarify financial statements	Explanations that may be necessary to clarify issues regarding the financial statements	No AFS
121(3)(i)	Other information	Information as determined by the municipality	
121(3)(j)	Audit Committee Recommendations	Recommendations of the municipality's audit committee	Included
121(3)(k)	Other prescribed information	Other information as may be prescribed	

OVERVIEW OF THE MUNICIPALITY

OVERVIEW

Area **1855km²**

Population

The Census indicates that there are 386 257 (3% Annual growth rate-Dermacation Boar) people in the Newcastle Municipality. The Newcastle population comprises African (91%), Coloured (1%), Indian (3%), and White (5%) race groups. Compared to the 1996 Statistics, there has been a growth of 16% in the population of Newcastle. The Newcastle population constitutes 71% of the total population of the Amajuba DM and it represents 3.5% of the total population within KwaZulu-Natal.

Indigent population is 19467 compared to 18000 in the previous year

Key Performance areas

The following were the key performance areas of the municipality during the year under review:

- Service Delivery and Infrastructure
- Municipal Transformation and institutional Development
- Local Economic Development
- Municipal Financial Viability and Management
- Good Governance and Participation

EXECUTIVE AND COUNCIL

OVERVIEW

The Newcastle Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act, 1998. The Municipality functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee (EXCO). The Council consists of 61 Councillors of which 10 are full-time Councillors. Of the 61 Councillors, 31 are Ward elected Councillors with the remaining 30 elected as Proportional Representation Councillors. The Council has nine portfolio-standing committees, with each member of EXCO serving as a portfolio councillor.



VISION

During the year under review the Newcastle Municipality revised its vision and mission in line with its revised objectives and strategies as defined in the various strategic workshops held by management and the Executive. The new vision for the municipality is as follows:

**NEWCASTLE MUNICIPALITY:
TOGETHER WE CAN DO IT BETTER/
SISONKE SINGENZA OKUGCONO/
SAAM DOEN ONS DIT BETER**

MISSION

A mission for the organization was also determined and is as follows:

"Newcastle commits itself to render sustainable services , promote economic growth and achieve financial stability through community participation"

VALUE SYSTEM

The value system is built around the following:

Nation building, equity, well being, customer satisfaction, accountable, sustainable, transparent, leadership, efficiency, effectiveness, economical and excellence

DESCRIPTION OF ACTIVITY

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:

- Approval of an Integrated Development Plan
- Passing of by laws
- Approval of budgets
- Imposition of rates and other taxes, levies and tariffs
- Raising of loans

The municipality was initially established as type 9(a) Municipality i.e. a municipality with a collective executive system the municipality successfully changed to cater for the establishment of ward committees. There are 31 ward committees that are undergoing training on a regular basis.



Table 2 : Council Representation

PARTY NAME	NUMBER	MALE	FEMALE
IFP	20	14	6
ANC	27	19	8
DA	6	5	1
ACDP	1		1
FF PLUS	1	1	
NADECO	4	3	1
RLP	1	1	
ID	1	1	

In the first three quarters 2006/07 reporting year, the EXCO was constituted as follows:

Table 3: EXCO members and their portfolios

DESIGNATION	MEMBER	PARTY	GENDER
Mayor and Treasury Portfolio	Cllr. Mbatha Cele P.H.	ANC	F
Deputy Mayor	Cllr. Masina V.L.M.	ANC	M
Culture Recreation and Amenities Portfolio	Cllr. Masina V.L.M.	ANC	M
Town Planning Portfolio	Cllr. Khumalo B.	IFP	M
Human Resources Portfolio	Cllr. Mbatha J.D.	IFP	F
Infrastructure Portfolio	Cllr. Mncube G.A.	Nadeco	M
Economic Development Portfolio	Cllr. Rehman A.F.	ANC	M
Community Services Portfolio	Cllr. Vorster J.A.	DA	M
Administration Portfolio	Cllr. Zwane M.E.	IFP	M
Housing and Land Portfolio	Cllr. Makhoba T.A.	ANC	M

The Newcastle Municipality complied with the legislative requirements for dealing with the Annual Report by forming the following committees whose representation is as indicated:

Table 4: Oversight Committee

Name	Party Representation
1. Speaker : Cllr. Mathew Shunmugam	Nadeco
2. Cllr. T. A. Makhoba	ANC
3. Cllr. G. Adamson	DA
4. Cllr. T.V. Buthelezi	Nadeco
5. Cllr T. Paliathan	ACDP
6. Cllr. J.J. Smith	FFP
7. Cllr. N.J. Hadebe	ID
8. Cllr S.J. Zulu	RLP
9. Cllr. R.B. Nzima	IFP

Note. Cllr T.A. Makhoba later joined EXCO and was removed from the committee.

Table 5: Audit Committee Members

Name	Contact Numbers
1. Mr. L.C.T. Nkosi	079 493 3748
2. Mr. T.J. Fouche	072 437 9953
3. Mr. M.S. Ismail	082 390 0986

Table 6: Section 80 Committees

SECTION 80	NUMBER OF MEMBERS
1. Administration Standing Portfolio Committee	6
2. Finance Standing Portfolio Committee	9
3. Community Services PSC	7
4. Culture Recreation & Amenities PSC	7
5. Economic Development PSC	8
6. Housing and Land PSC	8
7. Human Resources PSC	8
8. Infrastructural Services	7
9. Town Planning PSC	8

DEVELOPMENT CHALLENGES

The following are the key development challenges within Newcastle:

- Low levels of diversified economic activity
- High levels of unemployment
- High poverty levels
- High incidence of HIV and AIDS
- Backlogs in the provision of housing
- Lack of Skills development as a large proportion of the employed are in the elementary sector.

CHAPTER TWO: PERFORMANCE HIGHLIGHTS

PERFORMANCE HIGHLIGHTS FOR 2006/07



The year under review had a number of challenges posed by the political dynamics and financial constraints. It was also the final year of the municipal manager's contract and the municipality had initiated a process of restructuring which left a lot of uncertainty on the future of the organization. Despite the uncertainties associated with any restructuring, the municipality managed to continue with the provision of services and the implementation of an organizational performance management system which saw some considerable improvement in performance. The following are the performance highlights for key functions:

Water and Sanitation

- 480 standpipes were converted to individual meters
- 3000 households were provided with a water supply
- 50 households were provided with VIPs
- 300 households were provided with waterborne sewer

Roads

- 18,56km of roads were provided in the year under review
- R10,54m was allocated for road maintenance and there was 107% expenditure on the budget
- 635km of roads was maintained

Electricity

- A total of 209 new connections were made in the 2006/07 year in Kwamathukuza
- A total of R115.7m of electricity was bought from Eskom
- A total of R727m of electricity was sold to the license area of Newcastle West
- A total of 16 high mast lights were installed

Waste management

- A section 78 process was completed
- The cleansing section was incorporated back into the municipal organization to comply with the MSA and MFMA
- Work towards the landfill site has progressed well

Housing

- A comprehensive housing sector plan was completed and is currently under implementation
- 166 Houses were completed and handed over to beneficiaries

Economic growth and job creation

- A comprehensive LED Strategy was developed in the year under review to guide LED activities
- 1 visit was made to overseas countries to attract investors and 4 foreign delegations visited Newcastle
- 3 businesses were established in Newcastle
- 380 jobs were created through the municipality marketing initiatives
- Successfully held a growth and development summit in collaboration with Amajuba District

Development Planning

- Developed a comprehensive Spatial Development Framework and precinct plans
- Finalized street naming for Newcastle East
- Completed a comprehensive CBD development Plan

Table 7: Reporting against National KPA.

General Performance Indicators (GKPI)	Key Development objective	Key Performance Indicator	Baseline	Status
			July-06	June-07
The Percentage of households with access to basic level of water, sanitation ; electricity and solid waste removal	Access to Water Provision	% of households with access to at least a basic level of water	84%	87%
	Access to Sanitation	% of households with access to at least a VIP level of sanitation service.	69%	72%
	Access to Electricity	% of households with electricity within the Newcastle licensed area	99.5%	99.8%
	Access to Solid Waste Removal	% of households with access to refuse removal services	67%	83%
The percentage of households earning less than R1,100 per month with access to free basic services as per Indigent register	Access to free basic services	% of households with access to free basic services	31,8%	100%
The percentage of municipal capital budget actually spent	To improve capital budget spending by the municipality	% capital budget spent within budgeted financial year	50,13	
The number of jobs created through the municipality's local economic development initiatives including capital projects	To create temporary employment through LED initiatives	No. of temporary jobs created	800	380
The percentage of municipal budget spent on implementation of Workplace skills plan	To improve investment on workplace skills development by the municipality	% of SDL claimed/received from SETA	60%	0%

	Implementation of skills development plan and employment equity	Percentage of staff in three highest levels of management who are from the designated groups (race and gender)	62%	68%
Financial viability	To ensure adequate funds are available to meet external loan financing charges	Debt coverage	26,42	
	To improve revenue collection and service payment levels within the Newcastle municipal areas currently receiving service.	Outstanding service debtors to revenue –	0,52	

SERVICE DELIVERY BACKLOGS

- Water¹ – 16% of the households do not have an adequate supply of water with 32% of households having access to a basic level of service (Standpipes within 200m)
- Sanitation – 33% of households do not have an adequate service with 16% having access to VIP's
- Electricity-16% of households within the Newcastle Municipal area do not have electricity as a source of lighting. However, within the licensed area the backlog is 1%. The unlicensed area is serviced by ESKOM. A further concern is the impact that the transfer to RED's will have on Newcastle.
- Roads- In terms of the demand for the upgrading, rehabilitation and new roads development, the IDP Review presently estimates that the amount required for roads projects specifically is in excess of R400m.



A recent assessment of the most urgent requirements in Madadeni, Osizweni, KwaMathukuza and Newcastle West that impact of accessibility, (and where applicable), safety – indicate that an amount of R315m is required urgently.

- The Public Road Transport Plan further indicates that that 56% of roads utilised for Public Transport is unsurfaced which results in high maintenance costs to vehicles and unsafe travel conditions for passengers.
- Refuse Removal-23% of households within Newcastle do not have access to a Refuse Removal Service from Council
- Primary Health – the need for improved, additional, accessible primary Health Services
- Environmental Quality- the need to assess the environmental impact of existing and proposed development, with specific reference to industries and mining
- Community Safety and Security – the lack of adequate infrastructure and resources to ensure a safe community
- Asset Management – an audit of all municipal assets (infrastructure, plant, equipment, vehicles etc.) and the related operating costs is to be determined to enable Council to plan its operating requirements within available resources, and the impact this would have on levels of services. This would assist Council in determining its replacement options over short, medium and long terms
- Spatial Restructuring/integration – backlogs exists in respect of the previously unserved areas with specific reference to the :
 - i. Establishment and Maintenance of effective Urban Management Systems
 - ii. Provision of Housing Stock
 - iii. Incremental upgrading of the existing infrastructure and services and environmental milieu
 - iv. Integration of residential townships of Madadeni and Osizweni with Newcastle West(“East meets West”)



The following are the statistics for Newcastle drawn from the Census 2001 information presented by the Statistics South Africa.

Table 8 : Basic Service Backlogs statistics

Service backlog	Total	Budgeted for in 2007/08
Number of households with water backlog	11 324	R30,0m
Number of households with sanitation backlog	25 065	Combined (water)
Number of households identified as refuse removal backlog	8 594	083 625 9394
Number of households identified as roads backlog	12 468	R13,5m

ASSESSMENT OF ARREARS ON TAXES AND SERVICE CHARGES

As of 30 June 2007 the consumers of the Newcastle municipal area owed the municipality R248,8 m. The corresponding figure as at 30 June 2006 was R228,4 m which indicates a better position in terms of debt collection.

The age analysis of the debt is as follow

Age of debt	2004/05	2005/06	2006/07
Current	16,349,964.05	20,756,275.98	24,302,220.82
30 – 60 days	8,222,042.79	15,926,999.69	12,199,929.55
60 - 90 days	8,770,326.21	18,261,927.38	9,551,772.55
Over 90 days	152,725,574.62	173,426,816.15	202,747,015.75
Total	186,067,907.67	228,372,019.20	248,800,938.67

Due to the implementation of the Council's credit control policy, debt escalation has been controlled. The payment factor value noted in the above table relates only to current debt and does not include the collection of arrear debt. With the billing of metered water to the areas previously having a un-metered water supply, Council needs to address the restriction of water to the indigent household, as well as to the non-indigent account holder whose

account is in arrears, to 6Kl per month. This would further address the debt escalation on the accounts in certain areas.

The municipality is making all efforts to implement its debt collection and credit control policies. A review of the whole system of revenue enhancement will take place in the 2007/08 financial year and a funding application has been submitted to the Consolidated Municipal Transformation Program.

CHAPTER 3: ORGANISATIONAL AND HUMAN RESOURCES MANAGEMENT

INSTITUTIONAL ARRANGEMENTS

The Municipality has a staff complement of 781, servicing areas of Newcastle, Madadeni, Osizweni, Blaauwbosch, Ngagane, Kilbarchan, and Charlestown. The total establishment should be 2400. Whilst the Newcastle Organogram (illustrated below), makes provision for a Municipal Manager, two Deputy Municipal Managers and Nine Directorates (each Directorate being an area of responsibility for each of the 9 EXCO Councillors and the 9 portfolios of Council), a restructuring process has commenced to be finalised in the 2007/2008 Financial Year. The existing nine Directorates/portfolios of the municipality and their functions are:

Table 9 : Directorates and functions

DIRECTORATE	FUNCTION
Administration	General Administration & Councillor affairs Legal Support Secretariat Function Administration Co-ordination Public Relations Property Valuation
Community Services	Health Services Traffic Services Security Services Disaster Management Fire Fighting Cleansing Services Noise Pollution Licensing and control of dogs
Culture, Recreation and Amenities	Municipal Parks and recreation Cemeteries and Crematoria Community Facilities and amenities Sport facilities Libraries Museums Public Open Spaces (Maintenance)
Economic Development	Local Tourism Economic Development Street Trading and Markets Marketing
Finance	Revenue and Debt Management Procurement Expenditure Management Financial Administration IT Information Services

	Financial Information systems
Housing and Land	Real Estate Housing Development and administration Urbanisation and informal settlement Fencing and fences
Human Resources	Organisation and work study Personnel Management Services Staff transformation Staff Training Labour relations Occupational Health and Safety co-ordination
Infrastructural Services	Electricity Water and Sanitation Roads and Storm-water Street Lighting Railway lines Technical support Services (mechanical workshop and municipal buildings – repairs and maintenance)
Town Planning	Building regulations Billboards and the display of advertisements in public places Town Planning Control of undertakings that sell liquor to the public GIS services Land Development and Facilitation Survey

STAFF COMPLEMENT

The Municipality is composed of nine Directorates with the following staff complement:-

Table 10: Staff Complement

DIRECTORATE	MALE	FEMALE	TOTAL
Administration & Municipal Manager	13	24	37
Chief Financial Officer	28	34	62
Community Services	180	55	235
Culture, Recreation & Amenities	110	61	171
Economic Development	3	0	3
Housing and Land	10	15	25
Human Resources	8	9	17
Infrastructural Services	184	23	207
Town Planning	16	8	24
Total	552	229	781

The Council has since approved a process of organisational restructuring which has resulted in directorates headed by Strategic Executive Directors all reporting to the Municipal Manager and on performance contracts. In the year of reporting, the Newcastle Municipality reviewed its organizational structure and adopted a new macro structure that saw the introduction of five directorates headed by strategic executive directors. The Council resolved to adopt the new macro structure and introduce performance management for the senior managers in order to enhance service delivery.

OLD MACRO STRUCTURE

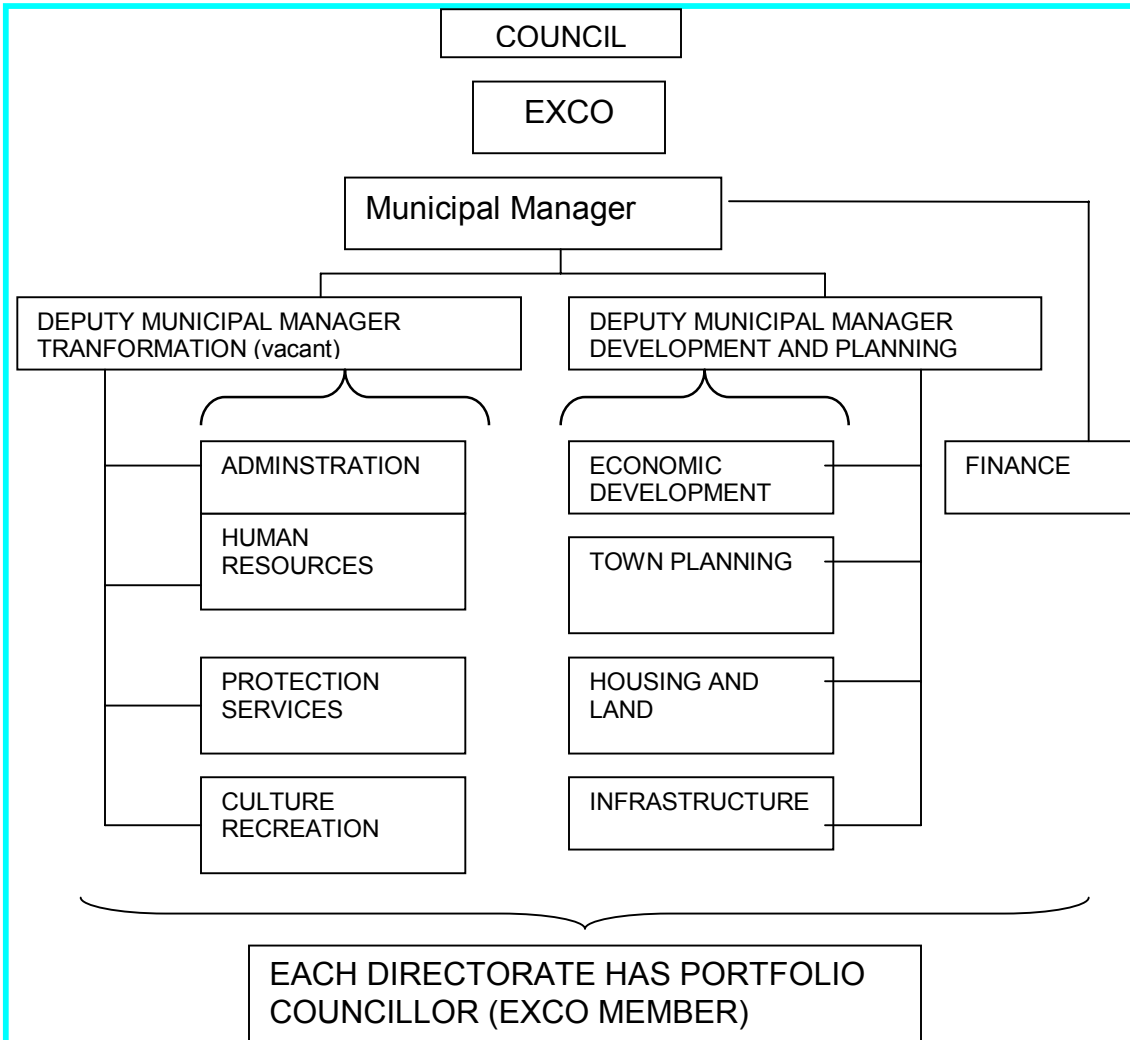
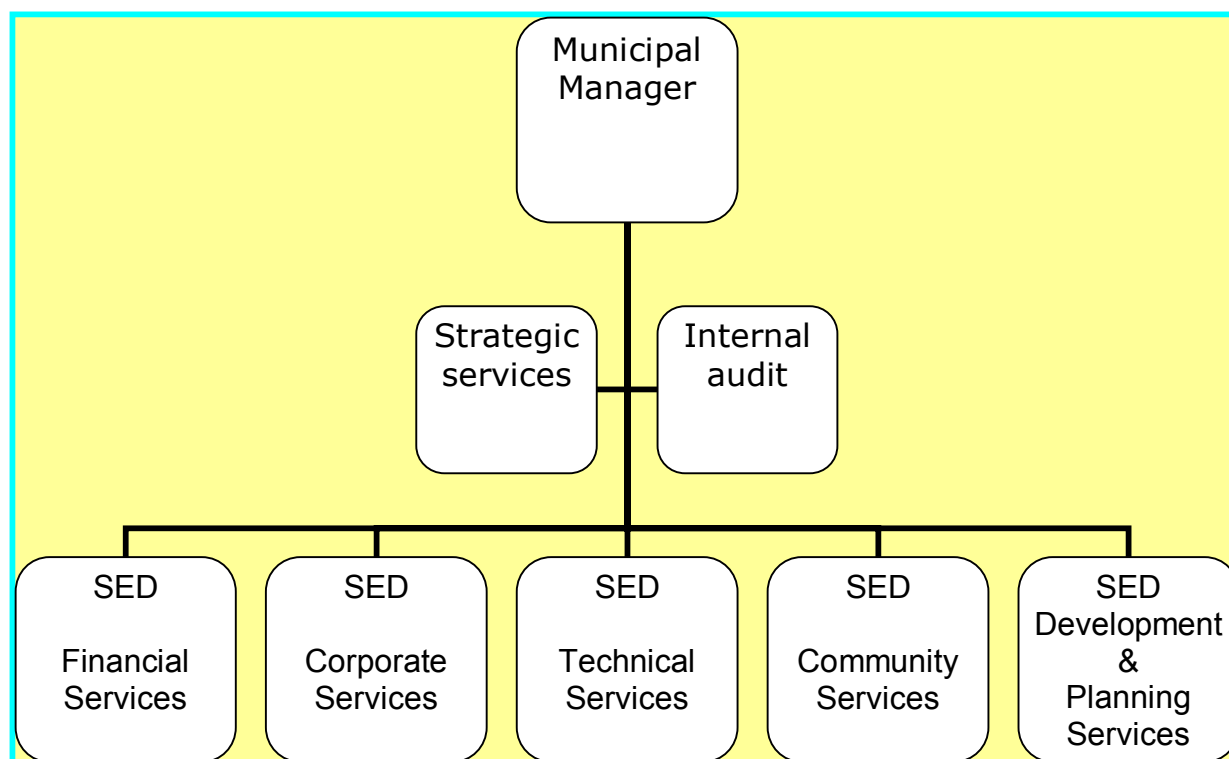


Table 11 : Senior Officials in 2006/07

DESIGNATION	SURNAME AND INITIALS
Municipal Manager	Hoosen AR
Deputy Municipal Manager	Mallinson RJ
Chief Financial Officer	Le Roux EC
Director Administration	Hauptfleisch E
Director Community Services	Barkhuizen JM
Director Culture Recreation and Amenities	Niemand EP
Director Economic Development	Alberts F
Director Housing and Land	Shozi MO
Director Human Resources	Mswane BE
Director Infrastructure Services	Zondo N
Director Town Planning	Masange K

NEW MACRO STRUCTURE

The structure below is for implementation before the end of the 2007/08 financial year after the appointment of the Municipal Manager in September 2007



Pension Funds:

Natal Joint Municipal Provident Fund
Natal Joint Municipal Pension Fund (Superannuation)
Natal Joint Municipal Pension Fund (Retirement)
Government Employees Pension Fund

Medical Aids

Samwumed
Hosmed
Bonitas
LA Health
Keyhealth (Global and Munimed)

CHAPTER 4: ANNUAL FINANCIAL STATEMENTS

Unaudited financial statements are available with the audited financial statements being expected on 31 March 2008

CHAPTER 5: FUNCTIONAL ANALYSIS**DIRECTORATE: ADMINISTRATION****OVERVIEW**

The Directorate: Administration provides an administrative and secretarial service to the Council, Executive Committee as well as other committees of Council, inclusive of the offices of the Mayor and Speaker.

DESCRIPTION OF ACTIVITY

The services provided by the Directorate are as follows:

- General Administration
- Secretariat
- Legal Support
- Community Communication
- Public Relations
- Property Valuation

All the above services with the exception of legal support are rendered in-house by the Directorate.

KEY ISSUES

- Lack of community consultation strategy
- Lack of comprehensive organisational filing system

ANALYSIS OF FUNCTION

Personnel Employed	Number
Total staff employed by Administration	28

KEY ACHIEVEMENTS

- Council approval and adoption of ward committee system
- Appointment of a service provider to do a general valuation of all properties within the Municipal area of jurisdiction.

PRELIMINARY PLAN FOR 2007/2008

- Compiling by-laws and a rates policy relating to property valuations
- Implementing community communication strategy
- Acquiring an integrated document management system which could serve all the departments of the Municipality
- Implementation of the Property Rates Act

DIRECTORATE: FINANCE

OVERVIEW

The financial treasury department is responsible for the financial administration, financial control and financial reporting of the local authority as a whole.

DESCRIPTION OF ACTIVITY

The services provided by the Finance/Treasury Directorate are as follows;

- Budgets and Costing
- Management Accounting
- Financial Reporting
- Procurement
- Revenue
- Internal Audit
- Credit Control and Debt Collection
- Creditors and Salaries
- Investments and Grant Revenue Control

All the above services are rendered in house by Financial/Treasury staff with the exception of Credit Control and Debt Collection and a portion of the meter reading function, which has been outsourced.

ANALYSIS OF THE FUNCTION

Personnel Employed	Number
Financial treasury services total	72
Managerial	3
Supervisory	12
Clerical	53
Blue Collar	4

KEY ISSUES

- Low payment factor and educating customers with regard to the benefits of paying for services
- Lack of office space
- Staff shortages in key positions and capacitating of existing staff
- Implementation of the Property Rates Act, No. 6 of 2004
- Increase the revenue base

- Improve customer satisfaction
- Improve on the quality of the reporting in terms of GRAP
- Restriction of water consumption to the indigent thereby allowing for Free Basic Water of 6Kl instead of the current free flow

Table 12: Indigent Support as at 30 June 2007

Consumer debtors including indigents	57 271
Indigents only	19 467

An account holder is defined as indigent if the total household income does not exceed R900.00 per month. The onus is on the applicant to come forward and register as indigent in line with the Council approved indigent policy. For the period under review, 19 467 indigents were registered and received indigent support. However the process of registering the indigent is on going and all those with total household income of less than R900.00 per month are encouraged to register for support.

Table 13: Monthly Payment Factor on current accounts

	All Accounts		Exclusive of Indigent Accounts	
	% Receipts	% Value	% Receipts	% Value
June 2004	40,2736	78,1761	44,7397	80,8036
June 2005	69,1736	68,9191	54,8451	78,1217
June 2006	70,5152	67,8230	55,7011	73,0935
July 2006	70,1408	72,8853	55,4357	75,9596
August 2006	69,5442	71,9577	54,2931	71,9223
September 2006	70,6936	75,8666	56,1143	75,9211
October 2006	68,7810	70,5924	52,9126	71,2722
November 2006	70,1899	73,4892	55,0554	74,7033
January 2007	70,2654	77,7302	55,0734	72,7252
February 2007	69,7664	73,2566	54,7226	74,4268
March 2007	68,1428	70,3819	52,0851	71,6993
April 2007	69,1915	70,7861	53,7542	72,1264
May 2007	70,2800	71,9000	55,1400	73,4100
June 2007	69,8900	71,2200	54,6700	72,2500
July 2006	70,1408	72,8853	55,4357	75,9596

Table 14:Debt by age and type as at 30 June 2007

Age of debt	Water	Electricity	Rates/ Service levy	Other	Total
Current	6,166,434.87	5,980,048.25	7,911,024.30	4,244,713.40	R 24,302,220.82
30 days	3,139,718.99	482,429.92	2,789,255.78	788,524.86	R 12,199,929.55
60 days	2,357,389.67	143,158.49	2,640,505.42	410,718.97	R 9,551,772.55
90 days	47,700,607.71	1,996,122.59	67,532,006.88	85,518,278.57	R202,747,015.75
Total	59,364,151.24	8,601,759.25	80,872,792.38	99,962,235.80	R248,800,938.67

Table 15: Bad debt written off as at 30 June 2007

Debtors are written off annually and indigent account holder's arrears are written off at the date of registration as indigent in line with Council Resolutions.

BAD DEBT WRITTEN OFF AT 30 JUNE 2007	Council Resolution	Amount
Monthly Indigent write off	Approved monthly by Council	6,105,191.27
Indigent accounts written off August 2005	CM 41 August 2005	21,671,818.72
Annual bad debt write off	CM 25 B(v) May 2007	451,671.07
Water consumption in excess of 75 Kl written back	CM 25 B(i) May 2007	15,759,345.17

Valuation

The table below presents information on the valuation of property in Newcastle. The municipality is in the process of compiling a rates policy and valuation roll in line with the newly promulgated Property Rates Act.

Area	Type	Date of last Valuation
Newcastle West	Land	1988
	Buildings	1997
Townships	Non residential	March 1996
	Residential	No valuation

Table 16: Total rateable properties by Area – July 2006

Description code	Number of properties	Land value	Building value
Newcastle	10,977	153,998,215	1,856,688,900
Madadeni	234	3,458,080	1,607,600
Osizweni	169	1,507,750	697,000
Ingagane	297	1,737,200	0
Kilbarchan	186	727,300	0
Charlestown	233	764,700	
Total	12,096	162,193,245	1,858,993,500

N.B. Residential properties in Madadeni and Osizweni are not valued and accordingly excluded from the number of rateable properties.

Table 17: Total Rateable Property by Usage – July 2006

Description of tariffs	Number of Properties	Land Value	Building Value
Residential	9,208	61,017,750	971,533,050
Commercial	1,521	77,269,185	659,273,650
Industry	150	8,076,810	228,033,900
Vacant Land	1,217	15,829,500	0
Total	12,096	162,193,245	1,858,993,500

N.B. Residential properties in Madadeni and Osizweni are not valued accordingly excluded from the number of rateable properties.

Table 18: Non-Rateable Properties – July 2006

Description	Number of Properties	Land Value	Building Value
Churches	96	1,932,920	41,921,600
Council	108	317,850	Not Valued
Service Reserve	101	201,500	Not Valued
Parks	2	9,000	Not Valued
Old Age	8	25,500	Not Valued
Crèche	315	2,486,770	41,921,600
Industry Ithala	864	4,950,160	8,895,000
Proclaimed	41	476,780	
Agriculture	196	364,750	-
Total	3,514	14,988,460	71,173,500

Table 19: Assessment Rates levied for the current year:

Description of tariffs	ANNUAL RATES
Residential	971,533,050
Commercial	659,273,650
Industry	228,033,900
Vacant Land	0
Total	1,858,993,500

Table 20: Debtors Billings -Number and Amount of Monthly Billing

MONTH	DEBTORS BILLINGS		DEBTORS COLLECTIONS	
	NUMBER	AMOUNT	NUMBER	AMOUNT
July 2006	56 003	34,820,607.11	39 281	25,379,131.56
August 2006	55 845	34,971,056.76	38 837	25,164,399.73
September 2006	55 824	32,837,495.52	39 464	24,912,706.33
October 2006	55 918	33,853,938.27	38 461	23,898,322.89
November 2006	55 924	33,176,673.40	39 253	24,381,288.07
December 2006	56 007	33,520,278.69	38 144	23,308,741.85
January 2007	56 019	33,822,051.95	39 362	26,289,953.91
February 2007	56 983	34,245,696.46	39 755	25,087,251.88
March 2007	57 152	34,650,499.84	38 945	24,387,712.25
April 2007	57 205	34,557,747.39	39 581	24,462,093.55
May 2007	57 127	33,983,436.08	40 147	24,434,446.41
June 2007	57 271	35,552,319.36	40 029	25,319,141.54

Table 21: Creditors outstanding as at 30 June 2007

NAME	AGING	AMOUNT
Eskom	30 Days	14,309,453.51
DBM	30 Days	1,365.00
Total		14,310,818.51

Table 22: External Loans outstanding as at 30 June 2007:

LOAN	OPENING BALANCE	DISBURSEMENT	INTEREST	REPAYMENT	CLOSING BALANCE
101965/1	15,556,189.09	-	1,415,115.84	1,171,540.09	14,384,649.00
101965/2	863,498.19	-	74,508.88	187,975.54	675,522.65
102322/1	861,273.57	2,055,431.81	40,421.06	396,419.97	2,520,285.41
102322/2	2,961,691.15	598,016.00	277,564.06	370,110.14	3,189,597.01
102322/3	1,695,227.89	466,354.25	162,651.45	139,680.85	2,021,901.29
102322/4	7,483,643.54	10,259,173.98	801,399.80	769,815.77	16,973,001.75
102653/1	-	1,677,401.00	15,055.25	-	1,677,401.00
102653/2	-	415,190.00	3,767.42	-	415,190.00
Total	29,421,523.43	15,471,567.04	2,771,661.09	3,035,542.36	39,764,957.1

Table 23: External Loans - Interest rates and repayment dates

LOAN	PERIOD	REDEMPTION DATE	INTEREST RATE	REPAYMENT DATES
101965/1	10	2015/06/30	9.26%	June 30 - Dec 31
101965/2	5	2010/06/30	9.10%	June 30 - Dec 31
102322/1	5	2011/06/30	9.31%	June 30 - Dec 31
102322/2	7	2013/06/30	9.40%	June 30 - Dec 31
102322/3	10	2016/06/30	9.45%	June 30 - Dec 31
102322/4	15	2021/06/30	9.37%	June 30 - Dec 31
102653/1	15	2022/09/30	9.10%	Mar 31 - Sept 30
102653/2	5	2012/09/30	9.20%	Mar 31 - Sept 31

KEY PERFORMANCE AREAS

- Indigent account holders continue to be registered and receive subsidized services;
- The appointed Service Provider continues to collect arrear debt in terms of the approved Debt collection process;
- The Supply Chain Management Policy was reviewed during the year;
- Billing of water services for the entire municipal area is performed with a Service Provider performing meter readings in the certain areas;
- The mid-year review was tabled to the Executive Committee during January 2006;
- The 2007/2008 annual budget and supporting documentation was approved in compliance with the Municipal Finance Management Act, No 56 of 2003;
- Further compliance with regard to the requirements of the Municipal Finance Management Act, No 56 of 2003;
- Terminals are being replaced with computers on an annual basis;
- Council has not defaulted on the repayment of any loans;
- 2006/2007 Annual Financial Statements GAMAP/GRAP compliant;
- The Debt Collection, Credit Control and Customer Care Policy was reviewed in terms of the budget process;
- Monthly levies, creditor payments and salaries continue to be processed and municipal accounts posted;
- Better control implemented over grant income and expenditure.

KEY ISSUES FOR 2007/2008

- Completion of staff structure together with related job descriptions;
- Filling of vacant positions with appropriately qualified staff;
- Additional office space to be identified;
- Training and capacitating existing staff with regard to changing environment;
- Review of all financial policies;
- Replacement of current in-house financial system;
- To become fully compliant with Supply Chain Management legislative requirements;
- Revenue enhancement strategies to be identified;
- To introduce control systems for water restrictors;
- Implementation of Valuation Roll to be compiled in terms of the Property Rates Act on 1 July 2008;
- To implement third party pre-paid electricity vending;
- Budget office to be capacitated;
- To identify non-indigent accountholders registered as indigent and included in the indigent register.

DIRECTORATE FINANCE (PROCUREMENT)

OVERVIEW

Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc

DESCRIPTION OF ACTIVITY

The function of procurement within the municipality is administered as follows and includes:

Demand Management:

This is the first phase of the SCM function and includes:

- The co-ordination of demand management across functional departments and end users to ensure that goods and services are quantified budgeted for and timely and effectively delivered at the right locations and at the critical dates and are of appropriate quality and at a fair cost.
- The compilation of specifications ensuring that evaluation and adjudication criteria and general conditions of contract are in accordance with applicable legislation.
- Managing and maintaining the Suppliers Database.
- Coordinating and liaising with all role-players within the municipality on Demand Management issues.

Acquisition Management

This includes:

- Ensuring that goods and services are procured in accordance with authorized processes as contained in the Supply Chain Management Policy, relevant legislation and in accordance with an approved budget.
- Ensuring that the threshold values for the different procurement processes are complied with and in accordance with delegations as adopted.
- Ensuring suppliers and service providers comply with the evaluation criteria for the suppliers' database.
- Bid administration including invitation for bids, opening of bids on the closing date, processing of bid documents, consultation with end users.
- Preparation of reports to the Bid Evaluation Committee, ensuring compliance with the Supply Chain Management Policy and all relevant legislation.

- The preparation and submission of recommendations by the Bid Evaluation Committee, to the Bid Adjudication Committee within the required timeframes.
- Responsible for ensuring that the Bid Evaluation Committee operates within the prescripts of the Supply Chain Management Policy and the Committees terms of reference.
- The administration of all contracts for the procurement of goods and services, ensuring compliance with contract agreement in consultation with the relevant end user and to maintain a contracts register.

Logistics/Disposal Management

This includes:

- Ensuring store items are procured in accordance with authorized processes as per the prescripts of the Supply Chain Management Policy.
- The establishment of maximum and minimum levels of stock items and lead times and the maintenance thereof, so as to ensure a minimum investment in stock on hand.
- Ensuring that an adequate system of internal controls is in place for the receipt of goods received.
- Ensuring that stock items are secure and that legal and safety requirements are complied with when items are stored, particularly goods of a hazardous nature.
- Responsible for the completion of order forms for all purchases for the municipality as submitted by the Acquisitionnager.
- Annual Stock Count
- Implementation, monitoring and reporting on the disposal of Councils Movable Assets.

ANALYSIS OF FUNCTION

Total number of times that tender committee met during year	11
Total number of tenders considered	60
Total number of tenders approved	55
Average time taken from tender advertisement to award of tender	90

Membership of bid Committees

The bid specification committee has not yet been appointed but departments form specification committees to draft terms of reference for specific requirements. The following committees have been put in place:

Bid Evaluation Committee

Mr R J Mallinson : Chairperson – Deputy Municipal Manager
Mr G Scheepers : Deputy Director : Administration
Mr N Zondo : Director : Civil Services

Bid Adjudication Committee

Mr E C Le Roux : Chairperson - CFO
Mr E Hauptfleisch : Director: Administration
Mr K Masange : Director: Town Planning
Mr E Mswane : Director: Human Resources
Mr F Alberts : Director: Economic Development

PRELIMINARY ISSUES

Key Performance Area	Target	Actual	Reason for variance	Improvements For 2008
Progress made with the completion of Suppliers Database to allow for rotation of Suppliers	Database completed	Database program written by In house programmer and is Currently tested before going Live.	Staff Constraints	Database to be completed before the end of the first quarter.
Reports tabled to the Executive Committee on the implementation of the Supply Chain Management policy.	Quarterly reports	Report submitted quarterly		
% progress on review of Supply Chain Management Policy	Review policy annually	Policy reviewed annually		
Number of days from Bid Specification Committee Meeting	15 days	Bid Specification Committee Not appointed.	Departments have been requested to	Municipal Manager to set up a bid

until advertisement placed		Dates are determined departmentally.	draw up specifications and compile bid documents with the assistance of the SCMU.	specification committee before the end of Feb 08
Number of days from competitive bid closing date until report tabled at Bid Evaluation Meeting.	21 days	Bid Committee meetings prescheduled every month. Once opened bids are received from the departments it is tabled within the month of receiving.	Staff constraints	The newly appointed Acquisition Manager will monitor target dates.
Number of days from Bid Evaluation Meeting until recommendations are tabled at the bid adjudication committee	14 days	7 days		

DIRECTORATE: HUMAN RESOURCES

OVERVIEW

The Human Resources department strives to deliver a friendly, productive and efficient service to our clients. It is imperative for this department to always ensure that our customers are happy with the service that they receive. The Human Resources department delivers a service to all other departments within the Newcastle Municipality with a staff capacity of 994 employees. The directorate's main responsibilities are:-

- Personnel and Labour Relations
- Human Resources Development
- Occupational Health and Safety

DESCRIPTION OF ACTIVITY

Services provided by the Human Resources Directorate are as follows:-

☐ **Recruitment & Selection**

- i) Recruitment of new employees and advertisement of vacancies within the Municipality.
- ii) Responsible for the compiling of shortlists and ensure that all procedures are according to the Labour relations Act, Employment Equity Act and Recruitment & Selection Policy.

☐ **Labour Relations**

The core function of Labour Relations is to institute discipline within the municipality. Certain policies for example the Disciplinary Code of Conduct and the Grievance Procedure Agreement should be adhered to. Labour Relations also include the function of customer care for example drug abuse, alcohol abuse and HIV/Aids counseling.

☐ **Personnel Administration**

The unit is responsible for all administration regarding recruitment and selection and labour relations as well as pension benefits and death benefits. This function administrates 994 personnel files and 165 official files. These files exclude all disciplinary enquiry files. All statistical information is provided by this function as well as the submission of the Employment Equity Report to the Department of Labour annually.

☐ **Training & Development**

- i) Assist employees to acquire the necessary skills and qualification for improving quality of their lives and the efficiency and effectiveness of the organisation.
- ii) Provide students with opportunities to do in- service training and that the workplace is made as an active learning area.

- ☐ **Occupational Health and Safety :**
1. Ensure that Health and Safety is maintained at the workplace as provided in terms of the Occupational Health and Safety Act.
 2. Plays a co-coordinating role of Occupational Health and Safety activity within the organisation.
 3. Ensure that safety committees are established, committee members are appointed, committees are functional, health inspections are conducted and that training as provided by the Act is provided.
 4. Reports accidents/incidents to the Workman's Compensation Commissioner.
- ☐ **Intergovernmental Relations:**
- i) Provide guidance and assistance to CDW's in performance of their duties to ensure efficiency and effectiveness.
 - ii) Administer and maintain CDW funds to ensure proper usage and control.

All the above services are rendered in house by the Human Resources Directorate.

KEY ISSUES

- ☐ Finalise the Organisational review
- ☐ Implementation of evaluated job descriptions
- ☐ Accreditation of the Municipal Training Centre

ANALYSIS OF THE FUNCTION

1. Personnel Employed	Number
Director : Human Resources	1
Divisional Head : Personnel & Labour Relations	1
Divisional Head : Human Resources Development	1
Personnel Officers & Assistant Personnel Officers	5
Occupational Health and Safety Officers	1
Assistant Training and Development Officer	1
Administration	5
Supervisor Compound	1
2. Recruitment & Selection	
Requests Received	127
Posts advertised internally	119
Posts advertised externally	63
Applications Received	6559
Applicants Interviewed	349
3. Movements	

Promotions	33
Appointments – Temporary	124
Appointments – Permanent	89
4. Other Human Resources Activities	
Disciplinary Hearings – requests received	29
Enquiries held	23
Enquiries withdrawn	9
Guilty findings	12
Dismissals	2
5. Training & Development	
Number of training courses provided in terms of the Workplace Skills Plan	5
Applications for training received from departments	58
Applications for training approved	8
Study assistance applications from employees received	20
Study assistance applications approved	14
Applications for in-service training received	181
Applications for in-service training approved	20
6. Occupational Health & Safety	
Number of safety committees held	54
Number of safety inspections conducted	190
Number of appointment as per legal requirements made	32
% of safety issues identified by safety committee and addressed	51%
Number of safety training provided (mandatory)	8
7. Intergovernmental Relations	
CDW facilitation meetings / sessions held	10

Human Resources Budget for 06/07

Vote	Description	Budget
130	Human Resources	R1 605 620
133	Compound	R 84 050
134	Training	R 1 935 120
Total		R 3 624 790

KEY ACHIEVEMENTS

- ☐ Development and implementation of an HIV/Aids Policy
- ☐ Obtained a grant from LGSETA for the Workplace Skills Plan and annual training report submitted

EE and Programmes:

- Policies and procedures reviewed regularly to ensure equity in employment and HR practices.

- Preference given to employment equity candidates in terms of numerical goals.
- Information sessions held with all levels of employees wrt HR practices and policies.
- HR Policies and Practices that may build capacity of personnel:

Capacity building

Although the following is not capacity building policies in itself, the purpose of information contained in them is to educate / inform employees of their rights:

- HIV / AIDS in the workplace
- Sexual harassment policy
- Occupational Health and Safety Policy
- Smoking Policy
- Strike Management
- Study Assistance Policy
- PETS Policy

PRELIMINARY PLAN 2007/2008

- ☐ Implementation of the new organisational structure
- ☐ Implementation of the Workplace Skills Plan
- ☐ Development of the Employment Equity Plan for the next five years
- ☐ Development of a Skills Development Plan

DIRECTORATE: COMMUNITY SERVICES (CLINICS)

OVERVIEW

The primary health care Clinic is situated in Murchison Street and was opened in 2000. It includes all activities associated with the provision of primary health care.

DESCRIPTION OF ACTIVITY

The function for the provision of community health clinics within the municipality is administered as follows and includes:

- HIV/AIDS – voluntary counseling and testing
- HIV/AIDS – prevention mother to child transmission (PMTCT)
- Maternal health – ante and post natal care
- Women's health
- Emergency care
- Child health
- Infection control
- Tuberculosis control and management
- Surgical care
- Chronic care
- Health Education
- Drug control and management
- Health promotion and education programmes
- Adolescent health

These services extend to include primary health care, but do not take account of Environmental Health, which resides within the jurisdiction of another sub section in the Newcastle Municipality. The municipality has a mandate to render the above services on behalf of the Department of Health Strategic Objectives

The strategic objectives of this function is to improve the quality of primary health care rendered to the public

KEY ISSUES

- Inadequate youth health facilities
- Lack of adequate health educators to address HIV and other health issues
- Lack of adequate space and consulting rooms
- Lack of staff

ANALYSIS OF FUNCTION

Function:	Health		
Sub Function:	Clinics		
		Number	Value
Reporting Level	Detail	Total	
Analysis of the Function:	<p>The below mention is statistical information on services rendered in 2006/2007:</p> <ul style="list-style-type: none"> • Immunizations administered • HIV Counseling sessions • Antenatal visits • TB visits • Clients – Post natal • Clients – Sexually transmitted infections • Referrals to hospital • Minor ailments attended 	<p>6800</p> <p>4000</p> <p>8509</p> <p>737</p> <p>1576</p> <p>3390</p> <p>2302</p> <p>59</p> <p>55201</p>	
1	Number and cost to employer of all health personnel:	12	R1 559 583
	- Professional (Doctors/Specialists)	0	0
	- Professional (Nurses/Aides)	5	
	- Para-professional (Clinic staff qualified)	3	
	- Non-professional (Clinic staff unqualified)	1	
	- Temporary	3	
	- Contract	0	0
	Total cost includes total salary		R1 559 583

	package		
2	Number, cost of public clinic servicing population:	1	R1 359 246
	- Public Clinics (owned by municipality)	1	R1 359 246
	- Private Clinics	0	0
3	Total annual patient head count for service provided by the municipality:		R1 359 246
	- 5 years and under	8240	
	- older than 5 years	46961	
5	Type and number of grants and subsidies received:	1	R1 559 583
	Subsidy from the Department of Health	1	R1 559 583
6	Total operating cost of health (clinic) function:		R1 359 246

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Primary Health	To improve health through the provision of efficient, well managed health care facilities and services	85 822	
HIV /Aids	To promote HIV/Aids Awareness - voluntary testing & counseling	6441	
Establish a sustainable and functional clinic committee	Clinic Committee established		
Investigate additional clinic space requirements	Additional requirements identified <ul style="list-style-type: none"> • 3 x consulting rooms • Youth Centre • Larger dispensary 		
Investigate alternative options for health education and	Youth that volunteer are counseled on an ad hoc basis		

youth facilities			
Investigate possibilities of sustainability of nutrition programme	Presently vegetables are grown by volunteers. No gardener to sustain the project. Soup kitchen has been discontinued because of the unavailability of a cook		

DIRECTORATE: COMMUNITY SERVICES (TRAFFIC)

OVERVIEW

Traffic and parking control are services provided by Protection Services, a division within the Directorate of Community Services

DESCRIPTION OF ACTIVITY

The traffic control functions of the municipality are administered as follows and include:

- Traffic control
- Law enforcement and patrol
- Law enforcement Administration
- Road safety education
- Parking control
- Escort duties
- Special duties

Technical services (Traffic infrastructure– road markings, erection of road signs etc) . These services extend to include all traffic functions, but do not take account for patrols and law enforcement on National Roads, which resides within the jurisdiction of the Provincial Road Traffic Inspectorate.

STRATEGIC OBJECTIVES

The strategic objectives of this function are:

- Effective law enforcement and traffic control.
- Ensure free flow of traffic in the Newcastle Municipal area.
- Control and create a safer road environment for all road users.

KEY ISSUES

The key issues for 2006/7 are:

- Vacant positions on management level
- Inadequate equipment
- Insufficient staff

ANALYSIS OF FUNCTION

Function:	Public Safety		
Sub Function:	(Traffic)		
Analysis of the Function:	Personnel and services rendered		
1	Number and cost to employer of all personnel associated with policing and traffic control:	86	R6 262 421
		2 – Traffic not sole function	
	- Professional (Senior Management) (Director Community Services)	1 Traffic not sole function	
	- Field (Traffic Officers /Supervisors)	28	
	- Office (Clerical/Administration)	7 1 – Traffic not sole function	
	- Technical staff	8	
	- Volunteer	0	
	- Temporary Traffic Wardens	41	
	-Temporary Nursing Sisters	2	
	-Contract	0	
	-		
2	Total number of call-outs attended:	589	
	- Emergency call-outs	334	
	- Standard call-outs	255	
	Note: provide total number registered, based on call classification at municipality	376	
3	Average response time to call-outs:		
	- Emergency call-outs		
	- Standard call-outs		
	Note: provide average by dividing total response time by number of call-outs		
4	Total number of targeted violations e.g.: traffic offences:	48 511	R10 201 727
	<ul style="list-style-type: none"> • Camera prosecutions • Parking fines captured • Summons (Section 56) captured 	4370 31029 13 112	R1 232 600 R2 532 037 R6 437 090

5	Total number and type of emergencies leading to a loss of life or disaster:		
	<list details, including the number and type of emergencies recorded>		
6	Type and number of grants and subsidies received:	0	0
7	Total operating cost of traffic function		R8 299 645

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Ensure that road traffic signs and markings are in accordance with the Road Traffic Act	Allocated funds utilized in 2006/2007 on project	R608 824	
Visit each school in the area at least once for road safety awareness	31 schools visited		
Joint Operations with the South African Police for road blocks, stop & search etc	24 Joint Operations undertaken		

DIRECTORATE: COMMUNITY SERVICES (FIRE)

OVERVIEW

Fire Services are provided by Protection Services, a division within the Directorate of Community Services

DESCRIPTION OF ACTIVITY

An emergency 24 hours, seven days a week fire service is provided from the two stations located at Osizweni and Newcastle. The services provided to the Newcastle Area are:-

- Fire Prevention (inspections/consultations) 171
- Fire Safety and education (institutions) 130
- Fire Fighting
- Emergency Control Room
- Rescue
- Disaster Management

All of the above functions are rendered internally. The fire Services is also rendering an emergency, disaster and rescue fire service on behalf of the Amajuba district Municipality which includes Charlestown, Dundee, Utrecht, Dannhauser and up to the Free State Border.

STRATEGIC OBJECTIVES

The strategic objectives of this function are to:

Render an effective and efficient fire and emergency service within the allocated resources

KEY ISSUES

The key issues for 2006/07

- Unreliable appliances and outdated equipment
- Insufficient fire hydrants to facilitate fire fighting
- Lack of street names and numbers in some areas
- Absence of vehicles and equipment to deal with hazardous incidents

ANALYSIS OF FUNCTION

Function:	Public Safety		
Sub Function:	Fire		
Reporting Level	Detail	Total	
Analysis of the Function:	Vehicles Major Appliances - 1984 Other Appliances - 1980, 1984 Foam Appliance - 1978 Water Tanker	2 2 1 1	
1	Number and cost to employer of all personnel associated with fire fighting and emergency services	34 2 - Fire not sole function	R2 180 748
	- Professional (Senior Management) (Director -- Community Services)	1	
	- Fire Fighters	38	
	-Office (Clerical/Administration) (Acting Administration Officer Protection Services)	1 Fire not sole -function	
	-Communications Operator	4	
	- Volunteer	0	
	Note: total number calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound personnel	43 2 - share other Functions outside of Fire	R6 274 391
2	Total number of call-outs attended:	1053	
	- Emergency call-outs	695	
	- Standard call-outs	358	
3	Average response time to call-		

	outs:		
	- Emergency call-outs		
	- Standard call-outs		
4	Total number and type of emergencies leading to a loss of life or disaster:		
	<u>Emergency Calls</u>		
	Fire – Dwelling	142	
	Fire - Vehicles	39	
	Fire - grass	444	
	Fire - Other	8	
	Fire – Large industry	0	
	Motor Vehicle Rescues	55	
	Chemical	10	
5	Type and number of grants and subsidies received:	0	0
7	Total operating cost of fire and emergency function		R6 312 249

DIRECTORATE: COMMUNITY SERVICES (SOLID WASTE)

OVERVIEW

Includes refuse removal, solid waste disposal by landfill, street cleaning and recycling

DESCRIPTION OF ACTIVITY

The refuse collection functions of the municipality are administered as follows and include:

- Collection and removal of solid waste from business and households
- Waste Disposal
- Manage the Landfill Site (Waste Disposal Site)
- Street sweeping – CBD & Industrial area, Madadeni & Osizweni
- Clearance of litter
- Chemical verge control
- Removal of illegal dumping
- Skip service for garden waste
- Carcass removal

These services extend to include Madadeni, Osizweni, Kwamathukuza, Section E Phase 3 Osizweni, Kilbarchan, Ngagane, Charlestown,

The strategic objectives of this function are to:

To deliver an effective, efficient and sustainable refuse removal service to the entire KZ252

KEY ISSUES

The key issues for 2006/07 are

- Limited lifespan of current landfill site (approximately 2 years)
- Lack of resources to expand service to unserved areas
- Standardisation of service delivery option across the municipality

The strategic objectives of this function are to deliver an effective, efficient and sustainable refuse removal service to the entire KZ252

ANALYSIS OF FUNCTION

Function:	Waste Management		
Sub Function:	Solid Waste		
Reporting Level	Detail	Total	
Analysis of the Function:	Resources available are as follows:		
1	Number and cost to employer of all personnel associated with refuse removal:		R 14 704 370
	- Professional (Engineers/Consultants)	1	R 286 000
	- Field (Supervisors/Foremen/Manager)	5	
	- Office (Clerical/Administration)	5	
	- Non-professional (blue collar, outside workforce)	141	
	- Temporary	12	
	- Contract	0	
2	Number of households receiving regular refuse removal services, and frequency and cost of service:	54710	R3 054 459.30
	- Removed by municipality at least once a week	54710	
	- Removed by municipality less		

	often		
	- Communal refuse dump used	0	
	- Own refuse dump	1	
	- No rubbish disposal		
3	Total and projected tonnage of all refuse disposed:		
	- Domestic/Commercial	108 725 tons	2.02 % p.a projected growth
4	Total number, capacity and life expectancy of refuse disposal sites:		
	- Domestic/Commercial (number)	1 site	2 years
	- Garden (number)		
5	Anticipated expansion of refuse removal service:		
	- Domestic/Commercial		
	- Garden	5000	R2 253 2000
6	Free Basic Service Provision:		
	- Quantity (number of households affected)	18 500	
	- Quantum (value to each household)	R55.83	
	Describe in detail the level of Free Basic Services provided.		
7	Total operating cost of solid waste management function		R 54 355 380
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1.Closure and Rehabilitation of land fill site	Expenditure for the acquisition of a plan and design Pending project: Fencing as per legislative requirement (on tender)	R272 640	961.12
Development of New Waste Disposal Site	Town Planning is the custodian of this project	R1 327 360	

DIRECTORATE: CULTURE, RECREATION AND AMENITIES

PARKS, RECREATION & CEMETERIES SECTION

OVERVIEW

The Parks, Recreation and Cemeteries Section is the greening, conservation and cemetery section for the entire Newcastle.

DESCRIPTION OF ACTIVITIES

Overall, the Parks, Recreation and Cemeteries Section maintain, sustain and conserve the green environment and cemeteries for present and future generations, in a safe and cost effective manner. The services provided are as follows:

- Horticulture – planning, design, development, landscaping and planting of parks and open spaces.
- Arboriculture (tree maintenance).
- Local sports facilities – management.
- Cemeteries.
- Recreation grounds.
- Parks utilization and management.
- Nursery operations.

All of the above services are rendered internally in accordance with the service delivery of Newcastle Municipality.

KEY ISSUES

- Lack of resources (human and financial) to expand services.
- Environmental factors and policies.
- Lack of sufficient burial space.
- Lack of security.
- Vandalism / theft.

ANALYSIS OF FUNCTION

1. The Parks, Recreation and Cemeteries Section is managed by the Divisional Head: Parks, Recreation and Cemeteries, a Senior Horticulturist, Horticulturist and Assistant Horticulturist with several skilled and semi-skilled workers. Additional workers are employed on a contract basis during summer season.
2. Areas that are mowed on a regular basis are:
 - Newcastle
 - Charlestown
 - Osizweni
 - Madadeni
 - Ingagane
 - Kilbarchan
3. The number of play parks in Council's area of jurisdiction is: 40.
4. The number of sports facilities provided and services: 70
5. Street tree maintenance: The whole of Newcastle area.
6. Five (5) cemeteries are managed by this section with the addition of another two in the near future, i.e. Roypoint and Drycut cemeteries.
7. Five (5) swimming pools are managed and maintained by the Parks, Recreation and Cemeteries Section, viz. Arbor Park Pool, Newcastle Pool, Fairleigh Pool, Suryaville Pool and Amcor Dam Pool.

KEY ACHIEVEMENTS 2006 / 2007

- Completion of x 5 cutting cycles.
- Maintenance of all fencing and complete upgrade of Phelandaba Sports Field irrigation system.
- Upgrade of Osizweni Stadium.
- Poverty alleviation through the employment of 46 seasonal workers.
- Maintenance at Kilbarchan, Ingagane and Charlestown.
- Appointment of x 2 Parks Assistants at Charlestown.
- Signage installed at Roy Point Cemetery and play parks.
- Repairs and maintenance of all playground equipment.
- Establishment of a new play park at Kilbarchan.
- Planting of trees and shrubs in Osizweni and Madadeni.

- Greening at Amcor Dam.
- The hosting of the South African Games Base Camp.
- Hosting of the KZN Rural for rugby.
- Hosting of the Under 17 KZN Hockey Tournament.
- Hosting of the 2010 Soccer Promotion with soccer legends, Doctor Khumalo, Mark Fish and Philemon Masinga and presentation display of talent of certificates to all successful candidates.
- Appointment of permanent and experienced Pool Supervisors.
- Updating Pool Supervisors qualifications (annually) and regular fitness tests conducted.

Swimming Galas:

- Monthly inter club galas held.
- Level II National Gala held.
- Northern Natal School Gala – Newcastle Pool.

Scuba Diving:

- Held inter-club diving event – Newcastle Pool.

Amcor Dam Resort - Achievements

- Addition of playground equipment.
- Level II Gala – March 2007 and Caravan Park was utilised by caravaners from all parts of the country. Patrons were impressed with the standard of the facility.
- Greening at Amcor Dam (Removal of reeds).
- Over 25 schools used the Resort – for picnics and water orientation programmes.

PRELIMINARY PLANS 2007 /2008

Cemeteries:

- To complete caretaker's house and fencing at Dry Cut Cemetery and to extend the Roy Point Cemetery and Charlestown Cemetery.
- DFA registration of Kilbarchan / Ingagane Cemetery.
- Securing of more land for future burial.

Local Sports Facilities:

- Ensure sport for all disabled people.
- Provision of sports facilities in accordance with community needs.
- The implementation of Council's Sports Policy.

Municipal Parks and Recreation Grounds:

- Upkeep of a good maintenance schedule to meet public demand.
- Develop creative and workable strategies to render services with available resources.
- Greening and conservation plans / strategies to eradicate alien invaders.
- Build 3 x large lapas (thatched areas) especially in the picnic area.
- Build another 10 x toilets or hire 15 portable toilets during festive period.
- Caravan Park – Build 10 chalets to be done in phases e.g. 3 x per year (3,3,3 + 1) – cost ±250 000.
- Upgrade recreational facility using the dam mainly:
- Build wooden bridges across the dam.
- Build wooden platforms for fishing, sight seeing and general recreation.

LIBRARIES

OVERVIEW

The Newcastle Library Service consists of the following libraries:

- Newcastle Library
- Lennoxton Library
- Fairleigh Library
- Madadeni Library
- Osizweni Library

DESCRIPTION OF THE ACTIVITY

The Newcastle Library Service provides an information service to the community. This service is affiliated with the KwaZulu-Natal Provincial Library and Information Service, which provides information resources, promotional items and grant funding for certain projects to the libraries.

Services provided are as follows:

- **Information resources** – books, reference material, daily newspapers, popular magazines, audio-visual material.
- **Internet** – enables the Librarian to provide information to patrons.
- **Computer facilities** – for use by patrons.
- **Recreational needs** – information resources, holiday programmes.
- **Educational needs** – photocopying facilities, study facilities, library orientation programmes for schools.
- **Group Activities Rooms** – free of charge for educational and cultural purposes.
- **Extension services** – old aged homes, cripple care, homebound citizens, pre-schools.

STRATEGIC OBJECTIVE

- The provision of adequate library facilities in the community, in order to provide up to date information for recreational and educational purposes.

KEY ISSUES

- A subsidy was requested from the KwaZulu-Natal Provincial Library and Information Service for the conversion of the Group Activities Room at the Newcastle Library into a Project Library. The KZNPLIS however indicated that the project would be considered at a later stage.
- Due to delays caused by the supply chain process, the extension of the Osizweni Library could not be finalized during this financial year.

Backlogs are as follows:

Inadequate space

- Insufficient shelving space for new material
- No study space available at the Fairleigh and Lennoxton Libraries.

Insufficient funds

No funds were allocated on the budget for the purchasing of new information sources. No capital funding received to enhance existing or to develop new facilities.

ANALYSIS OF FUNCTION

Nature and extent of facilities provided

Library	Membership	Circulation	Enquiries	Visitors
Newcastle	9 368	328 037	35 880	234 274
Lennoxton	2 237	77 024	4 759	42 214
Fairleigh	640	11 806	2 173	-
Madadeni	5 293	31 875	2 695	73 089
Osizweni	2 094	40 026	3 177	79 322
Total	19 632	488 768	48 684	428 899

Number and cost to employer of all personnel associated with each community service function

Library	Permanent	Temporary	Cost to Employer
Newcastle	16	3	1 649 060
Lennoxton	6	-	546 702
Fairleigh	1	1	165 573
Madadeni	5	-	421 642
Osizweni	5	2	484 904
Total	33	6	3 267 881

KEY PERFORMANCE AREAS

- 3M Library Security Systems were installed at the Lennoxton and Osizweni Libraries.
- Computers, which can be used by library patrons for personal purposes were installed at the Newcastle, Lennoxton, Fairleigh, Madadeni and Osizweni Libraries.

PRELIMINARY PLANS FOR 2007/2008

- Completion of the Osizweni Library extension.
- Conversion of the seminar rooms at the Madadeni and Osizweni Libraries into internet café's, which service will be available free of charge to library patrons.

HALLS

OVERVIEW

The halls within Council's area of jurisdiction are as follows:

- Town Hall
- Farmers Hall
- Show Hall
- Richview Civic Centre
- Fairleigh Community Hall
- Madadeni Community Hall
- Osizweni Community Hall
- Charlestown Community Hall

The above facilities are offered to the community of Newcastle as well as visitors to the town at set tariffs as approved by Council on an annual basis.

DESCRIPTION OF ACTIVITY

The main objective of this function is to provide facilities to the community for the purpose of holding the following events:

- Weddings
- Memorial Services
- Concerts
- Exhibitions
- Shows
- Church services
- Political meetings
- Any gathering as per request

These facilities (except Charlestown) are all equipped with the basic requirements such as:

- Ablution facilities
- Kitchens with
 - Stoves
 - Fridges
- Tables
- Chairs
- Curtains
- Public Address Systems

Caretakers and Cleaners are employed at each hall for the following purposes:

- Preparing facility for function

- Ensuring that the hall, kitchen and ablution facilities are clean and presentable
- Putting out chairs and tables as per request
- Ensuring that the public address system, if required, is ready for use
- Clean facility after function
- Caretaking of facility during function
- Safekeeping of facility's keys
- Reporting of damages or loss after function
- Reporting of major maintenance repairs required at facility
- Maintenance of facility inside and outside

A Senior Building Caretaker is overall in charge of the staff and all the buildings relating to this function.

KEY ISSUES

- Reluctance of payment for facilities by Government Departments, NGO's and Councillors
- Staff inadequate for the number of functions held
- Inadequate cleaning equipment
- Insufficient and obsolete furniture and equipment, i.e. tables, chairs, stoves and fridges
- Renovation of Charlestown Hall as well as equipping same as required

ANALYSIS OF THE FUNCTION

No statistics regarding the halls are available for the 2006/2007 financial year.

1. Personnel Employed

Senior Clerk (hall bookings)	1
Clerks Grade III – I (hall bookings)	2
Senior Building Caretaker	1
Caretakers/Cleaners	8
General Workers	9

2. Total income received from rentals – 2006/2007 319,957.00

KEY ACHIEVEMENTS

- (1) Purchasing of tables and chairs for all the halls.
- (2) Purchasing of a scrubber for Osizweni Hall.
- (3) Purchasing of a polisher for Charlestown Hall.

PRELIMINARY PLAN FOR 2007/2008

- Source funding in Capital Budget for the purchase of equipment
- Employ additional staff at the various facilities

CARNEGIE ART GALLERY

OVERVIEW

The Carnegie Art Gallery is a regional centre in the Northern KZN for the visual arts.

KEY ACTIVITIES

It fulfils a role as a primary educational institution in the visual and cultural arts by:

- Collecting, documenting, conserving, researching and exhibiting works of cultural and artistic significance;
- Facilitating, developing and promoting cultural activities, local art and craft.

ANALYSIS OF FUNCTION

Number of publications including press articles and brochures	25
Number of items added to art collection purchased by Council	10
Number of items donated to collection	24
Number of enquiries handled on research and craft	407
Number of educational and mentorship workshops	13
Number of exhibitions hosted	2
Number of group visits to the gallery	98
Number of visitors to the gallery	9671
Number of township cultural tours	3

KEY PERFORMANCE AREAS

A significant donation of 24 artworks was made to the Council by the Carnegie Art Gallery Board of Trustees. In addition the Board also donated R15 000 for an award for a limited competition for architectural sketches for extensions to the Art Gallery.

Due to limited space only two major exhibitions were held. These were Jabulisa 2006 which was displayed in the Newcastle Town Hall and Art in the

Park which was held in the Municipal gardens. Both events were very well supported by the public.

The self empowerment women's group "Isiphethu, had a successful year with an overseas outlet for their embroideries being established. The Gallery Shop which is a bread and butter shop for many local crafters also increased its turnover significantly.

Damage, due to inadequate storage space has occurred to some of the artworks in the permanent collection. Steps have been taken to remedy the situation but it is very urgent that additional storage space is provided to the Gallery if it is to preserve Newcastle's art collection.

FORT AMIEL MUSEUM

OVERVIEW

Newcastle's cultural history museum is situated at Fort Amiel. The fort consists of 7 restored buildings and a dry stone wall which was originally built in 1877 as a British Military Base. The museum was opened in 1990 and contains all the historical collections of Newcastle. It is an important place of interest for the Battlefield Route but also serves an educational purpose for the whole community and wants to reflect all cultures including Indian and Zulu culture. A Zulu Umuzi consisting of a Zulu hut, Muthi and vegetable garden have also been established at the museum. The museum houses a valuable collection that consist of hundreds of cultural items and artifacts, a comprehensive research file collection, a large number of historical photographs and a small book collection.

ANALYSIS OF FUNCTION

Number of exhibitions hosted	5
Number of enquiries handled	55
Percentage of Museum Collections budget spent	100%
Number of visitors	5280
Number of groups visits	58
Number of publications (press articles, newsletters etc)	28
Number of workshops conducted or facilitated with community groups	9
Number of meetings held and attended by Museum Services	3
Number of reports submitted to AMAFA KZN	6

BUDGET

Salaries R 225 235

MOST IMPORTANT PROJECTS

EXHIBITIONS

During the past year Fort Amiel has staged two major exhibitions.

The museum hosted an exhibition on woman's hand work. Various rare embroidery examples from the collection were on display. Clothing items were enhanced with the likes of pin cushions, needle boxes, scissors etc. Half of the exhibition focused on colonial hand work and the other half on Zulu hand work including basketry, pottery and bead work. To co-inside with the commemoration of the First Anglo-Boer War an exhibition of lead soldiers by Peter Ludwig was put on display. The exhibition showed various army units from the 15th to the 19th centuries from America, India, Russia, France, Germany and Britain. The Battles of Amajuba and Isandlwana were also displayed.

EVENTS

Two major events were hosted during the last financial year.

On 15 November 2006 the museum hosted the opening of the newly established **Zulu Umuzi** on the museum grounds. The Umuzi, consisting of a vegetable and Muthi garden and a reconstructed traditional Beehive Zulu homestead, was constructed by local crafters from Madadeni, Blaauwbosch and Osizweni during July to October 2006. On 15 November the opening was officially done by the Mayor of Newcastle, Councilor Mbatha-Cele. A traditional Zulu blessing ceremony and supper was also prepared by the same woman. Dancers from Sisiyabonga Primary School and other dancer also performed for over a hundred guests.

On 17 February 2007 the museum hosted the **126th Commemoration of the First Anglo Boer War**. About 200 people attended this event. At this commemoration the Dundee Die Hards re-enactment group participated at the event. The local MOTHS and other groups, including the Boy Scouts, Girl guides, Voortrekkers, and King Edward VII School from Johannesburg laid wreaths during a ceremony. The promotional booklet of the local Battlefields, compiled by Dave Sutcliffe was available this year. It was the second time this event was hosted and it seems that it is now well established to become an annual event to promote the local Battlefields and museum.

COMMUNITY PARTICIPATION

The museum participated at the **Winter Show** in Newcastle at the end of April 2007. The focus was on Zulu woman, the local Battlefields and historical photographs from the 1950's. The museum has in collaborated with the Newcastle Crafters and Hobby Directory, hosted three **Craft and Hobby Markets** at the museum. The number of crafters grew steadily from about 10 to 20/25 craft stalls. At the last market about 25% of the crafters were

local Zulu crafters. The Hooters Club of veteran cars have also given their support to the market and participated with every market. Various music and dance groups have also participated at the market days. Various collectors like Peter Scholtz and Peter Holliday displayed or demonstrated their collectables. On 18 June 2007 the museum has in collaboration with the ATKV (Afrikaanse Taal en Kultuurvereniging) hosted a **Youth Day** celebration at the Fort. Various music and dance groups participated, while the youth competed in a variety of games such as "frog race" and water balloon throwing. Craft and food stalls were available and also horse and quad bike rides, while the old motor car club also displayed their vehicles.

DIRECTORATE: TOWN PLANNING

DEPARTMENTAL OVERVIEW

The fundamental role of the Directorate of Town Planning is to provide strategic direction to the Municipality with regards to development issues and ensure that the Municipality's vision and strategies are achieved in the fields of development planning; transportation planning and facilitation of development.

DEPARTMENTAL VISION

To ensure success in all its development endeavors, the Department of Town Planning has always been committed to the following collectively crafted vision:

"Providing a vibrant, integrated and sustainable living environment offering opportunities for all"

ACTIVITY DESCRIPTION

To bridge the gap between the current reality and its vision, the Department of Town Planning had adopted the following activities as part of its key functions:

- Processing land development applications
- Processing outdoor advertising applications
- Managing spatial development projects
- Facilitating development initiatives
- Data capture and manipulation through GIS
- Processing special consent and rezoning applications
- Deal with unauthorized land usage and enforcement
- Processing of building line relaxation applications and providing building control services
- Processing building plans
- Packaging and facilitating DFA applications

All the above service functions are carried-out and managed internally with limited out-sourcing of specialist services and/or input.

KEY ISSUES

- Lack of enforcement
- Constant changes of administrative procedures and responsibilities

- Lack of communication between line function departments
- Overlapping of departmental functions
- Land ownership issues and Land Claims which has delayed a number of projects undertaken by the department
- Shortage of personnel in the Building Inspectorate
- High staff turnover

ANALYSIS OF FUNCTION

1. Personnel Employed – Municipal Staff Only	Number: 2006/07
Town Planners	5
Assistant Town Planners	2
GIS Officer	1
GIS Assistance and Clerk	2
Building Inspectors	1
Development Inspector	1
Temporary Staff (In Service Trainees)	3
Clerical and Administrative staff	9
2. Number of Land Development Applications	80
3. Number of processed Special Consents	54
4. Number of processed Rezoning Applications	34
5. Number of processed Subdivisions and Consolidations	10
7. Number of processed Building Plans	868
8. Number of Building line Relaxation Applications	60

COST PER VOTE/FUNCTION: 2006/2007 FINANCIAL YEAR:

	Function	Cost	%
Town Planning Vote 161	Salaries	R2,305,948.00	
	General Expenses	R6,547,243.00	
	Total	R8,853,191.00	

Building Inspectorate Vote 160	Salaries	R 481,315.00	
	General Expenses	R 397,362.00	
	Total	R 878,677.00	

- Revenue: Town Planning Fees: **R 91,166.00**
- Revenue: Advertising: **R 350,092.00**
- Value of Building Plans approved: **R 292,230,000.00**

2006/2007 ACHIEVEMENTS

Departmental KPA	Departmental Objective	Key Achievements
Advertising	To regulate and control advertising within Newcastle Municipality	Was able to deal with some of the illegal advertising signs despite capacity problems. A total amount of R 350,092.00 was collected through advertising.
Building Control	To provide efficient and effective building control services	The value of building plans approved is R292, 230,000 and it is the highest Newcastle has ever had. This figure reflects the building boom that is currently taking place in Newcastle.
GIS	To develop maintain and manage spatial information.	Capacitating and upgrading of GIS unit through grant funding from province.
Spatial Development	To facilitate and promote development	A number of developments have been facilitated e.g. Regional Mall next to Century Casino, Sithole Mall at JBC etc.
Policies and Plans	To produce policies and plans which guide and manage development	The department was able to facilitate the revision of the existing SDF, which is now understood by a number of councilors, municipal officials and the public. The department was able to ensure that the CBD Development Plan is finalized and adopted by Council in February 2007.

ON GOING KEY PROJECTS

A: Sector Plans as part of IDP:

Newcastle Municipality Spatial Development Framework:

A broad SDF to guide future development within the Newcastle Municipal area has been developed as part of the IDP and is reviewed annually as circumstances change. All development are guided by the SDF

Land Use Management System (LUMS):

In order for the municipality to effectively manage its area with respect to the use and conservation of land, it needs appropriate land management controls. What LUMS aims to achieve, is to consolidate the various fragmented land management systems (e.g. Newcastle Town Planning Scheme and KwaZulu Land Affairs Act) within the Newcastle Municipality, into a single, uniform, but flexible system which can be applied across the Municipality. A Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet in terms of the Municipal Systems Act. In 2005, the Newcastle Municipality appointed a consortium of planning consultants to prepare the Newcastle Land Use Management Scheme (LUMS). The consortium consisted of Peter Jewell Consulting Services, Professor Mike Kahn and Annette von Riesen of Atelier von Riesen Associates.

The Department of Local Government and Affairs (DLTGA) Inland Implementation Office had previously in the (2003/04; 2004/05; 2005/06 financial years) made available a total amount of more than R 500,000 to assist the municipality to achieve an effective LUMS. Currently, the Draft LUMS Maps and Scheme document are finalized and submitted to the Provincial Planning and Development for comments and a way forward is to be indicated for approval in terms of the relevant legislation.

B: Local Area Based Development Plans:

The main purpose of the Local Area-based Development Plan is to guide, facilitate and fast-track development of an area and focus on local needs to ensure that developmental needs are addressed at local level. The Plan is aimed at providing a useful framework for guiding investment by public, private sectors and they provide a sound basis for mobilising government resources in an integrated and coordinated manner at local level. Currently

the Municipality is currently busy with seven Local Area Based Development Plans as follows:

(1) JBC Development Plan

The JBC (Blauwbosch, Cavan and Johnstown) Development Plan project was initiated as early as 2001, and its main objective is to create a vibrant, formalised township which is economically active and integrated with the surrounding formally planned areas of Madadeni and Osizweni. JBC, is the third largest settlement in Newcastle East has **45 099 people (20.4%)** of the population of Newcastle East in 5 wards. A number of incremental programmes have been initiated and successfully executed and today JBC has public roads and access to clean water through this initiative of Local Area Based Development Plans. Since project inception, projects worth more than 45 million have been completed and approximately more than 2000 temporary job opportunities were created during these construction projects.

JBC has a designated Primary Node in terms of Newcastle SDF. This is a first order Service Delivery Centre meant to complement Newcastle CBD and attract investment and additional economic opportunities closer to the majority of Newcastle residents. Currently, the department in collaboration with other municipal departments continues with the incremental implementation of projects planned in terms of the JBC Development Plan. Funds are currently being sourced through Neighbourhood Development Partnership Grant funding to facilitate implementation of the JBC Node.

(2) Ingogo Rural Development Plan

Ingogo Rural Development Plan was finalized during 2004. Its main objective being to establish the prevailing status quo of the settlement of Ingogo and outline the development strategies to address community needs through detailed settlement planning for the provision of housing, appropriate infrastructure and essential services. Currently the department has finalized the layout plan and a DFA Application for Ingogo township establishment. However, due to unresolved land claims in the area, the Director: Housing and Land cannot finalise the land acquisition process and the DFA application cannot be lodged with the Development Tribunal.

(3) Charlestown Development Plan

The project was initiated in July 2005, through the incorporation of Charlestown into the Newcastle Integrated Development Plan (IDP) as one of the municipality's satellite service delivery areas. The aim of the Development Plan is to identify the needs for development within the

community of Charlestown as well as establishing the prevailing status quo of the settlements and outline development strategies to address current and future developmental needs of the area. The Charlestown Development Plan has since 2005, not been progressing well since 2005 due to land issues afflicting the Charlestown community and which have necessitated intervention by the KZN Legislature in trying to find possible solutions to facilitate developmental initiatives in Charlestown.

(4) CBD Development Plan

The main purpose of the CBD Development plan is to lay the foundation for the regeneration of the Newcastle CBD by achieving a more attractive urban environment with improved functionality, better urban management, creation of new investment and economic opportunities, efficient public transport system, improved safety and security etc. The highlights of the development plan are the ten (10) identified catalytic projects which aim at initiating the regeneration process within the CBD. They are designed to stimulate further public and private sector investment and social upliftment of the people of Newcastle. The Development Plan was approved by Council during February 2007 and the department is currently busy facilitating the establishment of CBD Co-ordination Forum to oversee the implementation process and coordinate the actions of all role-payers actively involved in the development of the CBD. However, the commitment of Council is still required in implementing these catalytic projects to ensure that the goal of regenerating the CBD is achieved in the long run.

(5) Kilbarchan, Ingagane and Ballengeich areas Development Plan

The Process Plan and Steering Committee have been finalized. Project is currently at desktop data gathering and analysis stage. The survey questionnaire has been drafted. A formal meeting for the establishment of the Steering Committee was called on Sunday 5 August 2007 at Ingagane community hall. Field data gathering will commence January 2008 to have a comprehensive look at issues affecting the community including those raised at the Steering Committee meeting.

(6) Soul City (Stafford Hill), Dicks and Mndonzo areas Development Plan

The Process Plan and Steering Committee have been finalized. Project is currently at desktop data gathering and analysis stage. The survey questionnaire has been drafted. GIS base information for the area has been secured and is being processed by the GIS section. The first Steering Committee meetings in the settlements are planned for January 2008. On-field data gathering will start soon after.

(7) Newcastle Southern Areas Spatial Development Plan

The Local Area-based Spatial Development Plan for Newcastle Southern areas which includes areas of Fairleigh, Lennoxton, Equarand and Hilldrop was initiated in January 2007. A draft development framework plan for effective coordinated and integrated planning and development of the areas south of Newcastle West has been finalised.

C. CORRIDOR DEVELOPMENT

(1) Allen Street Mixed Use Development Corridor

Allen Street Mixed Use Development Corridor project links with the greater P 483 Mixed Use Development Corridor towards the eastern part of the city. The project entails development of land which to date has seen the development of BMW service centre and the Century Casino. The portion of Allen Street in this corridor has been developed to a tarmac standard and has greatly improved traffic flow in east of Newcastle CBD. A huge interest has been expressed by prospective developers towards the purchase of land within this corridor. However, the moratorium on the sale of land in the city has seriously hampered purchase and development of these properties.

(2) P483 Mixed Use Development Corridor

The P483 Mixed Use Development Corridor is borne out of the perceived potential for development along the stretch of road from Allen Street Mixed Use Development Corridor east of Newcastle CBD through Madadeni, JBC, Osizweni and informal settlements along the route. The corridor seeks to exploit the development potential in view of the availability of infill land for development, threshold population, public transportation and commuter volumes. Planning of the P483 Mixed Use Development Corridor planning is currently at the data gathering and analysis stage. This study will explore the potential and make proposals for development. It will also make recommendations in resolves development problems and challenges associated with the corridor.

C: GOVERNMENT PROGRAMMES:

MBO Urban Renewal Programme

An interdepartmental and multi-stakeholder Steering Committee meeting for the MBO (Madadeni, Blaauwbosh, Johnstown and Cavan and Osizweni) Urban Renewal Programme was held on 27 August 2007 while the Technical Committee meets regularly on a monthly basis. A database of projects in the Urban Renewal Programme area is being created. This programme requires a dedication of human and financial resources for it to function effectively and efficiently. DLGTA injected R2.25 million start-up funding. Further funding of the Urban Renewal Programme in addition to the R2.25 million start-up funding by the DLGTA would be required. The programme will be kick-started through the launch of the brick-manufacturing project at Madadeni.

(2) Madadeni Pre-cast Concrete Manufacturing Yard:

The precast concrete manufacturing yard had earlier been proposed at Blaauwbosch but had to be moved to Madadeni following recommendations from the Environmental Impact Assessment. It is located on a portion of H39 adjoining Madadeni industrial site. The precast concrete manufacturing project involves the training of locals in the manufacturing and laying of precast concrete pavers to be used in road upgrading and rehabilitation, manufacture of pavers and other construction projects in the area as part of the Urban Renewal Programme. To-date Environmental assessment; Terrain survey; Geotechnical investigations; Architectural and Engineering designs have been completed. Implementation will start once issues of mineral rights and application for mining rights issues on Erf H 39 have been resolved.

JBC Thusong Service Centre

On 16 November 2007 the Town Planning department's motivation to the Provincial Inter-Sectoral Steering Committee (PISSC) for the Thusong Service Centre programme in Kwazulu-Natal, for funding for the establishment of a Thusong Service Centre at Blaauwbosch was approved. The municipality is awaiting official communication from the Department of Local Government and Traditional Affairs (Urban & Rural Development). Negotiations for purchase of the Thusong Service Centre site from private land owners are underway. A tarred road access has been developed. The municipality has undertaken preliminary Environmental Impact Assessment, terrain surveys and geotechnical investigations for a concrete yard proposed earlier on the

site. The centre is to be developed once funding is granted and upon finalization of the purchase of land.

Amajuba Youth Centre

The Department of Social Development is closely working with the Town Planning Department and a multi-stakeholder forum to facilitate the development of a youth centre in Blaauwbosch. The Department of Social Development plans to develop Amajuba Youth Centre to the tune of R4 million at the Blaauwbosch social precinct and have requested the municipality to allocate them a site for this purpose. A site measuring 8500m² (2.1acres) has been identified at the Blaauwbosch social precinct. This is part of the privately owned land which the municipality is in the process of purchasing for the development among others, of a Thusong Service Centre (formerly Multi-Purpose Community Centre). The Department of Social Development has undertaken a Needs Assessment study and have availed a Business Plan (5 December 2007) outlining the nature of activities to be undertaken on the site. A report will be submitted to Council concerning the Department's request. Purchase of the land has not yet been finalized.

KEY PRIVATE SECTOR DEVELOPMENT INITIATIVES

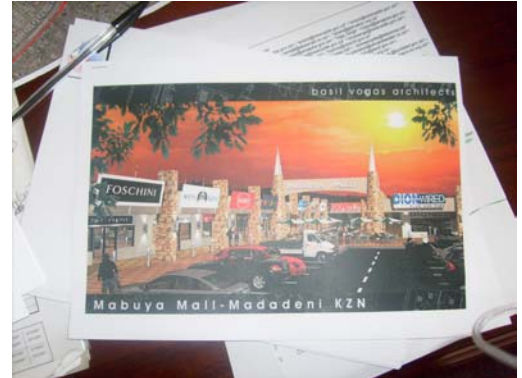
Proposed Sithole Mall in Blaauwbosch

This proposed shopping centre is to be developed on a portion of Subdivision 9 of the farm A of Blaauwboschlaagte A no. 8892 measuring approximately 56 hectares in extent. The site lies at the intersection of two major roads namely the P483 road to Utrecht and BR1 the road traversing Blaauwbosch and linking Madeni with KwaMdakane.

The proposed Shopping Centre is 26 700m² in extent and the development will cost R175 million. The site falls within the JBC Development Node and its identified in the SDF and IDP as a 1st order primary node. This development will benefit the community in a number of ways, in that it will reduce the need to travel to the Newcastle CBD and generate employment in the area, thereby retaining the purchasing power within the community. It will give a facelift to this area thereby enhancing the visual appearance of this poor community. The developer is Prime Spot Trading 9 (Pty) LTD. This developer has similar commercial developments in areas like KwaMashu and Richmond which were previously disadvantaged areas.

1. Madadeni Mixed Use Development on Remainder of Farm Madadeni No. 15961.

This is an integrated development proposal with large residential and commercial development components. It is proposed that approximately 3000 houses are to be built. A Shopping Centre is also proposed as part of the development which is established on the Remainder of Madadeni Farm near Madadeni Section 6 and H Section opposite erf H39 Madadeni. The property is owned by Ingonyama Trust. The Shopping Centre is to be known as Mabuya Mall. The overall development which will be phased over time is estimated to cost R1,2 billion.



2. Proposed Regional Mall on Portion of Erf 1/15450 Newcastle

The application for the amendment of the Newcastle Town planning Scheme by rezoning portion 1 of erf 15450 Newcastle from Special zone 16 to General Commercial 2 to accommodate the development of the Regional Mall has been received from Mr. I. Duckworth on behalf of Balele leisure Pty LTD. The amendment of the Newcastle Town Planning Scheme by rezoning the subject site is to provide development rights appropriate to its intended future development and use.



The proposed site for the development Regional Mall is within the Allen Street Mixed use corridor and is line with the Spatial Development Framework (SDF) as well as Integrated Development Plan (IDP) of the Newcastle Municipality. The subject site currently forms part of erf 15450 Newcastle which measures 25ha in extent and is zoned as Special Zone 16 in terms of the Newcastle Town Planning Scheme. Special zone 16 was adopted in May 2001 to accommodate a licensed Casino, Hotel and Family entertainment complex.

The proposed use of the application site is for the development of a Regional size retail Mall of approximately 32000m of gross leasable

[illegible]

DIRECTORATE: ECONOMIC DEVELOPMENT & TOURISM

OVERVIEW

The directorate Economic Development is the smallest department in the Municipality. It consists of 3 staff members and due to a lack of finance the filling of vacancies on the approved structure has not taken place. In light of this factor certain areas of mandate cannot be performed. This factor also results in a lower standard of service delivery being implemented. We have however approached the Provincial Department of Economic Development to assist and they have budgeted for a Project Manager to be appointed on a contract to assist the Newcastle Municipality with project management functions.

DESCRIPTION OF ACTIVITY

The function of economic development and tourism within the municipality is administered as follows and includes:

- Local Economic development
- Tourism
- Marketing
- Informal Trade

STRATEGIC OBJECTIVES

The strategic objectives of this function are to

- To promote job creation and economic development projects
- To provide a one stop shop for investment enquiries
- To investigate alternative economic activities in the manufacturing, agricultural and tourism sectors
- To promote SMME and BEE projects
- To actively market Newcastle as an investment destination

ANALYSIS OF THE FUNCTION:

Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
1	Number and cost to employer of all economic development personnel:		R (000s)
	- Professional (Directors / Managers)	1	<cost>
	- Non-professional (Clerical / Administrative)	2	<cost>
	- Temporary	1	<cost>
	- Contract		<cost>
2	Detail and cost of incentives for business investment:		R (000s)
	<list details>		<cost>
	Note: list incentives by project, with total actual cost to municipality for year		
3	Detail and cost of other economic development strategies:		R (000s)
	<list details>		<cost>
	Note: list strategies by project, with total actual cost to municipality for year		
4	Detail and cost of other rural economic development strategies:		R (000s)
	<list details>		<cost>
	Note: list strategies by project, with total actual cost to municipality for year		
5	Number of people employed through job creation schemes:		
	- Short-term employment	<number>	
	- Long-term employment	<number>	
6	Number and cost to employer of all Researchers employed:		R (000s)
	- Number of Researchers	0	0
	- Temporary	0	0
	- Contract		
7	Details of industrial properties:		
	- Number of industrial/ commercial properties sold	<number>	
	- Value of industrial properties/ commercial	<value>	
Reporting	Detail	Total	

Level			
	Note: Figures should be aggregated over year		
7	Type and number of grants and subsidies received:		R (000s)
	a. LED Strategic Plan Development grant	1	R280 000



The priority sectors for Newcastle are as follows:

- Manufacturing
- Agriculture – Value Adding
- Tourism

The following foreign missions were held in the year under review:

- Zibo City sister city mission to China with Mayor and Business people from Newcastle.
- Mission to China to facilitate the Shenlida Chemical Fibre factory Establishment.

PRIVATE SECTOR PROJECTS UNDERTAKEN IN 2006/07

- | | |
|--|---------------|
| • Casino mall | R 230 million |
| • Private hospital | R 25 million |
| • Mittal steel (Complete) | R 440 million |
| • Spar Complex complete | R 22 million |
| • Memel/Volksrustroad | R 8 million |
| • Casino (Complete) | R 55 million |
| • +Equipment- | R 100 million |
| • SAP Regional Head office (Complete) | R 20 million |
| • Office Park (Complete) | R 15 million |
| • Silica Plant | R 100 million |
| • Call Center | R 3 million |
| • New gas generation plant Karbochem- | R150 million |
| • New drum manufacturing plant SA Carbide- | R5 million |
| • New brick factory | R20 million |
| • Golf/housing estate Amajuba | R1 billion |
| • Residential development, Blue ridge | R50 million |
| • Tigerskloof Game and residential estate | R120 million |
| • Twyfelhoek Eco estate | R120 million |
| • Horn River dam project | R178 million |

Inward Investment

- Shenlida Chemical Fibre R 60 million
- 10 Other Clothing manufacturers R 30 million

Lead Projects

- New Hawker shelter and Fresh Produce market R 278 000
- Fernwood hydroponic tunnel & Chicken R 350 000
- Sewing group R 26 000

Table 24: Planned Catalytic Projects

Project	Brief Description and benefits	Project Opportunities	Budget
Sun-Dried Tomato	NewCo has been established to manufacture processed sun-dried tomatoes for the export market. Newco shareholding is comprised of emerging farmers (35%), Newco (30%), Financiers (25%) and Technical Partners (10%). Newco will buy raw materials from national suppliers however will favour local (Amajuba) producers. The project will incorporate greenhouse production (20Ha) as well as a drying plant. Projected employment in the full feasibility study indicates 69 employees within the drying plant and a further 92 permanent and 275 seasonal employees in tomato production.	Investors required for infrastructure, packaging and processing	R78m for processing plant R100m for green house
Cheese Factory	The proposal is to develop two dairy farms, in the Normandien district (Newcastle Local Municipality) with enough capacity to sustain a cheese factory. The co-op will be the owner of both the farms and the factory. Membership of the co-op will be divided between +/- 30 farm employees and the two farm owners, who will provide management expertise and mentorship.	Investors required to form partnership with current project owner	R 178 million
Amajuba 60Ha Hydroponic Techno Park(X2)	This project emanates from the need to produce various types of vegetables such as cucumbers, cherry tomatoes, peppers .The shareholding will comprise of 25% BEE, 25 % Management, 25% Investors and 25% Newco. The project will be developed to cater for the controlled production of vegetables to supply the local demand. The project will be expanded and the production of vegetables will eventually be aimed at the broader market outside of the district such as The Dube	Investors required for infrastructure, packaging and processing	60Ha @ R5 million = R 300 million Capex R 100 million

Project	Brief Description and benefits	Project Opportunities	Budget
	tradeport. The Techno Park will be established in close proximity of the Newcastle Airport and the Amajuba Regional Agric. Hub.		
Manufacturing of High Quality Texturised Soya Products	The production involves smaller farmers (in co-operation with the local farmer's Associations) in producing GMO and non-GMO grown soybeans for processing within an organized structure. Seed will be made available to these farmers on an organized basis. On harvesting of these crops, the soy will be purchased from them again by the processors (at approximately double the price per ton than that of maize, depending on SAFEX prices). In order to secure a next crop, the farmers will receive coupons - to be exchanged for seed again next season. Both smaller and commercial farmers prefer planting soybeans to maize, therefore eliminating the theft factor. Soy has also proven to be an excellent crop rotation alternative as it helps maintain nitrogen levels in the soil	Investors required to form partnership with current project owner	R 55 million
Amajuba Regional Agricultural Hub	The project is a partnership between the Newcastle Municipality, Amajuba District Municipality and the Private sector. The proposed Regional Agri-Hub would centrally locate a multi-modal logistics platform within Newcastle, allowing for efficient transport linkages to the ports of Durban, Richards Bay and the proposed Dube Trade Port. The site is ideally located halfway between Durban Container Terminal and City Deep in terms of the main logistic route between these two nodes expands the use of rail in port distribution, reducing the reliance on trucks. The existing marshalling yard is available as development site. The hub will increase warehousing capabilities and improves hinterland operations by incorporating truck-stop facilities, container cranes and gantries, terminal stacking and rail.	Logistic Companies Cold Storage Container Storage Vendorised Transport Systems Product Packaging Manufacturing of Packaging Products	Formal costing underway by Spoornet and National Dept. of Transport

DIRECTORATE : HOUSING AND LAND

OVERVIEW

Complementing the vision and coupled with the mission statement the Department of Housing and Land is actively involved in providing Newcastle with a built environment that is sustainable, promotes safety and security and enhances the environment while creating economic opportunity to redress the social and economic imbalances of the past. This Department prides itself with bestowing hope, honour; dignity and most importantly introduce people from "Grassroots" to a standard way of living. The management and co-ordination of projects identified through community participation as well as to manage and control council's fixed assets and to attend to the acquisition and alienation of property are matters that this department is involved in.

Departmental Vision

"Striving for Excellence in Providing Housing and Land for Our People".

Departmental Mission

"To facilitate the provision of applicable land and housing opportunities that would be instrumental in contributing towards a higher standard of living for our people resulting in economic growth"



DESCRIPTION OF ACTIVITY

The function of provision of housing within the municipality is administered as follows and includes activities related to the following:

- Reduce housing and land provision backlogs in the Newcastle Municipal area
- Facilitate access and information in regard to funding for housing development
- Formally house those currently residing in informal settlements.
- Identify suitable land for proposed housing projects.

- ensure a range of tenure options (including rental housing)
- administer and maintain all existing municipal dwellings in accordance with the Rental Housing Act 50 of 1999
- the provision of home owner education to beneficiaries of low income housing units
- the conclusion of surveys, re-zonings, sub-divisions, consolidations, road closures and removal of restrictions applications in conjunction with the Department of Town Planning
- the continuous update of the five year planned building maintenance plan
- acquisition of disposal of land
- expropriation and transfer of land
- registration of servitudes for municipal use

Analysis of the Function

Function:	Housing		
Sub Function:	N/A		
Reporting Level	Detail	Total	
1	Number and cost of all personnel associated with provision of municipal housing:		
	- Professional (Architects/Consultants)	1	R497 646.00
	- Field (Supervisors/Foremen)	4	R790 294.33
	- Office (Clerical/Administration)	18	R2 991 105.80
	- Non-professional (blue collar, outside workforce)	4	R3 973 529.40
	- Temporary	1	
	- Contract		
2	Number and total value of housing projects planned and current:		
	- Current (financial year after year reported on)	3	R7 020 000.00
	- Planned (future years)	9	R290 514 900.00

3	Total type, number and value of housing provided:		
	• Discount benefit scheme	•1250	R26 055 000.00
	•Project Linked subsidy	•150	R5 527 500.00
	•Personnel Housing	•52	R21 363 000.00
	•Sub economical Housing	•154	R17 226 500.00
4	Total number and value of rent received from municipal owned rental units	362	R 2 177 198.00
5	Estimated backlog in number of (and costs to build) housing:		
	Waiting list regarding subsidy housing	16 100	R58 893 800.00
6	Type of habitat breakdown:		
	- number of people living in a house or brick structure	65 587	
	- number of people living in a traditional dwelling	4869	
	- number of people living in a flat in a block of flats		
	- number of people living in a town/cluster/semi-detached group dwelling	350	
	- number of people living in an informal dwelling or shack	17 939	R33 384 000.00
	- number of people living in a room/flatlet		
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received:		
	•Upgrade subsidies	4000	
	•Flat renovations	2	
8	Total operating cost of housing function		

KEY ACHIEVEMENTS

- A total number of informal settlements have reduced to 2067
- A land audit has been initiated through the property valuation process

- A consultant was appointed to prepare the Housing Sector Plan which is complete
- Three flood victims were allocated
- The renovations for the elevators in Arbor Heights has begun will be completed by June 2008

PRELIMINARY PLANS FOR 2007/2008

- Opening of scheme registers for enhanced discount benefit scheme to enable occupiers to get legal ownership
- Implementations of the housing sector plan
- Relocation of flood victims

DIRECTORATE: INFRASTRUCTURAL SERVICES (ADMINISTRATION)

OVERVIEW

The administration section provides an administrative and secretarial service to the department infrastructural services as well as supportive services to the dept. Town planning, IDP and PMU section.

DESCRIPTION OF ACTIVITIES

The main functions are as follows:

- operating of switchboard and reception duties for various departments
- secretarial services
- records section servicing various departments in building
- responsible for upkeep / cleaning of building and yard at infrastructural services as well as engineering workshop and yard
- supportive services to dept. town planning, IDP and PMU section
- compile annual tenders
- compile annual budget

ANALYSIS OF FUNCTION

Staff component

- | | |
|----------------------------|----|
| • total personnel employed | 14 |
| • total posts not filled | 11 |
| • total staff compliment | 25 |

KEY ISSUES 2006/2007

- approval of new structure
- job evaluations
- lack of staff
- serious shortage of office accommodation
- realisation of staff training
- staff shortage impacts negatively on the services to be rendered within certain time frames

DIRECTORATE: INFRASTRUCTURAL SERVICES (BUILDINGS)

OVERVIEW

- Provision, maintenance and administration of buildings, houses, flats and municipal airport
- Service areas: Newcastle West, Madadeni, Osizweni, Blaauwbosch, Kilbarchan and Ngagane

The main functions are as follows:

- repairs and maintenance of houses and flats (general and unforeseen)
- civil maintenance to buildings (Newcastle west and east)
- repairs/painting of houses and flats (civil work)
- unforeseen repairs to municipal buildings
- repairs to blocked/collapsed sewers and burst water pipes at houses, flats and buildings
- paving and concreting to buildings and dwellings

ANALYSIS OF FUNCTION

Staff component & maintenance costs

PERSONNEL	NEWCASTLE
Management	1
Middle management	1
Workers (permanent)	17
Clerical	0
Contract workers	0

KEY ISSUES

- Lack of funds to:
 - upgrade municipal buildings
 - make improvements on buildings
 - perform full maintenance on buildings
 - maintain machinery
 - purchase equipment for specialised work
- lack of experienced and trained staff
- insufficient administrative and supervisory staff
- lack of administrative staff to monitor performance

- insufficient vehicles to carry out full maintenance on buildings

KEY ACHIEVEMENT FOR 2006/2007

- relocation of flood victims
- relocation of houses within flood line areas:
 - ◆ construction of house: 1 horizon crescent
 - ◆ construction of house: 52e Jenkyn street
 - ◆ construction of house: 4a Nightingale street
 - ◆ construction of house: 9 Asplenium street
- repairs/painting of staff flats
"b" block
- upgrading of runway at airport and airport building as well as fencing at the airport
- installation of fire hydrants and water meters at 48 flats (R396 000)
- installation of fire hydrants at 72 flats (R96 000)
- construction of ablutions and change rooms at Osizweni cricket oval (R163 500)



PRELIMINARY PLAN FOR 2007/2008

- customer satisfaction – monitor services
- improve reporting systems – action plan and performance reporting
- ensure safe and accessible service to public
- upgrading of municipal buildings including houses and flats

DIRECTORATE: INFRASTRUCTURAL SERVICES (SEWERAGE)

Function:	Waste Water Management		
Sub Function:	Sewerage etc		
Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include:		
	These services extend to include waterborne sewage from Madadeni, Newcastle and Osizweni purified at Madadeni/Ngagane/Osizweni sewage works. Charlestown : Sewage disposal by septic tanks, conservancy tanks and VIP's The Municipality has a mandate to provide basic levels of sanitation. The key issues for 06/07 is to provide Section 7 Madadeni and Osizweni E&F with a waterborne sewer system to replace full VIP's		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with sewerage functions:		R (000s)
	- Professional (Engineers/Consultants)	2	1 100
	- Field (Supervisors/Foremen)	8	1 200
	- Office (Clerical/Administration)	4	480
	- Non-professional (blue collar, outside workforce)	9	120
	- Temporary	-	-
	- Contract		
2	Number of households with sewerage services, and type and cost of service:		R (000s)
	- Flush toilet (connected to sewerage system)	40 162	
	- Flush toilet (with septic tank)	221	
	- Chemical toilet	-	
	- Pit latrine with ventilation	12 169	

	- Pit latrine without ventilation	-	
	- Bucket latrine		Total
	- No toilet provision	25 065	38 000
3	Anticipated expansion of sewerage:		R (000s)
	- Flush/chemical toilet	10 400	84 000
	- Pit latrine	5 000	15 000
	- Bucket latrine	-	-
	- No toilet provision		
4	Free Basic Service Provision:		
	- Quantity (number of households affected)	-	-
	- Quantum (value to each household)	-	-
	- No free basic sanitation at present		
Reporting Level	Detail	Total	Cost
5	Total operating cost of sewerage function (Water and Sewer operating cost combined)		R 80 000

DIRECTORATE: INFRASTRUCTURAL SERVICES (WATER)

OVERVIEW

The function includes bulk purchases and distribution of water. The Water Services Provider function was transferred to Uthukela Water Pvt Ltd, a multi jurisdictional municipal entity owned by Newcastle Municipality, Amajuba District Municipality District Municipality and Umzinyathi District. Uthukela District has however pulled out of the arrangement and this may necessitate reviewing the institutional arrangement in light of changes in economies of scale.

DESCRIPTION OF ACTIVITY

The water purchase and distribution functions of the municipality are administered as follows and include:

These services extend to include Bulk and reticulation for Newcastle, Madadeni, Osizweni, Buffalo Flats, Kilbarchan, Ngagane and Charlestown.

STRATEGIC OBJECTIVES

The strategic objectives of this function are to provide a minimum level of service for all consumers in the Newcastle Municipal area.

KEY ISSUE FOR 2006/07

To provide basic services in rural areas.

ANALYSIS OF FUNCTION

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level	Detail	Total	Cost
1	Number and cost to employer of all personnel associated with the water distribution function:		
	- Professional (Engineers/Consultants)	5	2 100
	- Field (Supervisors/Foremen)	16	5 400
	- Office (Clerical/Administration)	11	950
	- Non-professional (blue collar, outside workforce)	-	-
	- Temporary	-	-
	- Contract	-	-
2	Percentage of total water usage per month		
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer	31 210 000KI	7 864
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:	-	-
5	Total year-to-date water losses in kilolitres and rand		3 906
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service:		
	- Piped water inside dwelling	41067	
	- Piped water inside yard	1283	
	- Piped water on community stand: distance < 200m from dwelling	23900	Total
			37 450
	- Piped water on community stand: distance > 200m from dwelling	11324	
	- Borehole	50	
	- Spring	-	
	- Rain-water tank	-	
7	Number and cost of new connections:	190	382 968
8	Number and cost of disconnections and reconnections:	-	-

9	Number and total value of water projects planned and current:		R (000s)
	- Current (financial year after year reported on)	2	48 000
	- Planned (future years)	2	111 000
10	Anticipated expansion of water service:		R (000s)
	- Piped water inside dwelling	-	-
	- Piped water inside yard	3400	31000
	- Piped water on community stand: distance < 200m from dwelling	500	1000
	- Piped water on community stand: distance > 200m from dwelling	-	-
	- Borehole	5	390
	- Spring	-	-
	- Rain-water tank	100	500
11	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling	2314	16870
	- Piped water inside yard	-	-
	- Piped water on community stand: distance < 200m from dwelling	8985	92235
	- Piped water on community stand: distance > 200m from dwelling	-	-
	- Borehole	-	-
	- Spring	-	-
	- Rain-water tank	-	-
12	Free Basic Service Provision:		
	- Quantity (number of households affected)	19 432	
	- Quantum (value to each household)	6 Kl	
13	Type and number of grants and subsidies received:		R (000s)
	Refurbishment grant from DWAF		28 000
	Municipal Infrastructure Grant		18 000
	Equitable Share from DORA		
14	Total operating cost of water distribution function		R 80 000

DIRECTORATE INFRASTRUCTURE (ELECTRICITY)

OVERVIEW

The Newcastle Borough was established on 8 March 1864. A contract for the supply of lighting was concluded during 1901 and a light scheme with electricity was switched on 11 April 1902. A power station was installed on 29 July 1903. Council purchased the electricity company in 1913. The existing building was established in 1973.

The Electrical/Mechanical Sub-directorate consists of 4 sections namely Administration, Test Section, Planning Section and Distribution Section.

Administration Section:

The Administration Section provides administration support to the unit and has a staff component of:

- Administrative Officer.
- Clerical Assistant.
- Two General Workers.

Test Section:

The staff complement in the Test Section consists of

- Superintendent (Test).
- Control Room Officer
- Two test technicians
- Meter Tester
- Driver / Messenger
- Three Tool Assistants

The Test Section is responsible for commissioning and maintenance of electronically based equipment. Equipment include computerised traffic controllers, metering and a load control management system making use of special software packages and monitoring of load profiles to comply in terms of the National Electricity Regulator.

Distribution Section:

The staff complement in the Distribution Section consists of:

- Distribution Superintendent.
- Two Electrical Foremen.
- 5 Electricians.
- 2 Handymen.
- 25 General Workers.

DESCRIPTION OF ACTIVITY

The electricity demand grew to 120MW and to the fourth largest in KwaZulu-Natal. A new maximum demand of 120, 4 MVA was reached in June 2007. The previous highest maximum demand was 114, 9 MVA. In the past 3 years the demand for electricity in Newcastle has been increasing at an average between 5-6%. Electricity sales increased from 689 million to 727, 9 million units - an increase of 5, 6%. The cost of the electricity purchased from Eskom amounted to R115, 7 million – an increase of 13, 35% over that of the previous financial year.

REGIONAL ELECTRICITY DISTRIBUTORS (RED's)

Cabinet and Parliament decided on 25 October 2006 that there would be six RED's in South Africa, which would be controlled by EDI Holdings and through the PFMA. The aim of the Government is to make the electricity industry more efficient. Currently the industry is highly inefficient owing to the fragmentation and inadequate maintenance of networks. Tariffs throughout the country are fragmented, electrification is progressing slow and free basic electricity is slow and inconsistent. On 5 March 2007 EDI Holdings and Salga presented the envisaged restructuring of the electrical industry. The process of incorporating municipalities has commenced and it was identified that Newcastle is the largest municipality in RED 5.

ANALYSIS OF FUNCTION

During 2006/2007 a section 78 report was completed and a number of key issues were identified:

Table 25 : Section 78 Assessment Key Issues

Operations <ul style="list-style-type: none">○ Inadequate operating and capital expenditure.○ Adequate capacity to cater for load growth.○ Insufficient skilled resources.○ Lack of compliance with requirement for OHS Act in respect of appointment of responsible person.	Finance and Revenue Management <ul style="list-style-type: none">○ Electricity service is viable in the short to medium term.○ Capital charges: three-year trend indicates significant reduction in absolute terms.○ High level of administrative charges.
Human Resources <ul style="list-style-type: none">○ Capacity shortages at both managerial and technical levels.○ Performance management at senior management level; not available for measurement of individual progress.	Customer Management <ul style="list-style-type: none">○ Dependence on two large customers, consuming average 54% electricity units per annum.○ Effective use of load management system.

<ul style="list-style-type: none"> ○ Age profile indicates mature workforce. ○ Particular concern is ages of key technical personnel, no evidence of succession planning. 	<ul style="list-style-type: none"> ○ Inadequate reporting to NER due to staff capacity. ○ Contravention of NRS 0147 as a result of delay in installation of vending machine.
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From the key findings only a few of the issues were addressed and the rest still need to be addressed.

Due to financial constraints the Test Section was not able to replace substation protection batteries that are more than ten years old and should these constraints continue, Council will find the 132 000Volt and 11 000Volt equipment becoming faulty in the near future. Life expectancy of substation protection batteries are 8 to 10 years. Apart from the above, the Section was actively involved in cable fault locating and ensuring proper quality of supply to all residents and industrial consumers.

Saving Measures

One of the biggest problems facing electricity undertakings today is to provide an uninterrupted power supply. Council has demand control equipment which is in full operation and controls the hot water electricity usage in households. This system is due to be upgraded by Eskom shortly in order to decrease the electricity loads during peak periods. It is important to note that electricity should be used conservatively during peak periods. Peak periods range from 07:00 to 10:00 and from 18:00 to 20:00.

Electrical Protection

The Test Section upgraded the electrical protection to improve the operation of the electrical network. This is an ongoing project and the Test Section will be upgrading Council's 132kV protection and circuit breakers during the 2007/2008 financial year.

Function:	Electricity		
Sub Function:	Electricity Distribution		
Reporting Level	Detail	Total	Cost
1	Number and cost to employer of all personnel associated with the electricity distribution function:		R (000s)
	- Professional (Engineers/Consultants)	1	676

	- Field (Supervisors/Foremen)	13	2 452
	- Office (Clerical/Administration)	8	1 796
	- Non-professional (blue collar, outside workforce)	32	2 139
	- Temporary		
	- Contract	46	2 167
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer	728042520	115564399
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:	687316698	159008971
	- Household	111423901	R39280692
	- Commercial	105858636	R36210135
	- Industrial	470034159	R83518143
	- Mining		0
	- Agriculture		0
	- Other		0
4	Total year-to-date electricity losses in kilowatt hours and rand	40725822	R6271776
5	Number of households with electricity access, and type and cost of service:		
Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	12531	
	- Eskom	68682	
	- Alternate energy source		
	- Gas	Zero	
	- Paraffin	zero	
	- Solar	Zero	
	- Wood	Zero	
	- Non electrified	zero	
	Note: if other types of services are available, please provide details	None	
6	Number and cost of new connections:	198	R 768350
	<detail total>	<volume>	<cost>
7	Number and cost of disconnections and reconnections		R (000s)

	MOVEMENTS FROM JULY 2006 TO JUNE 2007		
	IN OUT		
	JULY 173 155		
	AUGUST 181 157		
	SEPTEMBER 167 149		
	OCTOBER 160 127		
	NOVEMBER 164 158		
	DECEMBER 157 141		
	JANUARY 151 172		
	FEBRUARY 176 169		
	MARCH 215 186		
	APRIL 212 166		
	MAY 224 212		
	JUNE 158 157		
	TOTAL 2138 1949		
8	Number and total value of electrification projects planned and current:		
	- Current (financial year after year reported on)	302	R1208720
	- Planned (future years)	2033	R13194531
	Note: provide total project and project value as per initial or revised budget		
9	Anticipated expansion of electricity service:		
	A 200 household project in Municipal license area	260	R1050000
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
10	Estimated backlog in number (and cost to provide) electricity connection:		
	Backlog is only in Eskom service areas	3746	R14700000
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision:		
	- Quantity (number of households	11529	Not all

	affected)		households are electrified
	- Quantum (value to each household)	19.34	
	<p><u>Newcastle West</u> 50kWh of electricity is credited to the indigent account holder using electricity, limited to actual consumption should it be less than 50kWh</p> <p><u>Newcastle East</u> The account holders in the East are supplied by Eskom and the Municipality pays the total subsidy benefit to Eskom monthly.</p>		
12	Type and number of grants and subsidies received:		R (1 200 000)
	DME Equitable share FBE		1 200 000 R4009360
13	Total operating cost of electricity distribution function		R (000s)
Key Performance Area		Current	Target

Analysis of the Function:	<Provide statistical information on (as a minimum) :>		
1	Number and total operating cost of streetlights servicing population:		
	Streetlights in Newcastle Streetlights in Madadeni and Osizweni High Mast Lights in Madadeni and Osizweni	7471 6269 161	R3222393 R2875740 Included above
	Note: total streetlights should be available from municipal inventory		
2	Total bulk kilowatt hours consumed for street lighting:		
		9779226	
	Note: total number of kilowatt hours consumed by all street lighting for year		

Table 26 : Statistics of electrical maintenance

Activity	Total Number
Preventative maintenance order inspections completed	777
High tension oil circuit breakers maintained	28
High tension 132kV links maintained	15
Transformers maintained	83
Meter kiosks replaced	17
Service connections completed	134
Houses electrified at Kwamathukuza	209
Multi yearly preventative maintenance orders completed	38
Streetlight repairs attended to	8 120
General consumer complaints from the public attended to	1 186
Council properties complaints attended to	555
Traffic signal complaints attended to	159
Electrical complaints attended to at Kwamathukuza	299

Table 27: Electrical Faults attended

Fault type	Total
Low tension cable faults	76
Streetlight cable faults	227
High tension cable faults	29
High-mast lights repaired in Madadeni	112
High-mast lights repaired in Osizweni	95
Streetlight covers replaced	250

Maintenance:

1. No. 4 132kV 20MVA transformer at Karbochem was maintained as well as the tap changer.

2. Both Lennoxton 132kV 20MVA transformers were maintained as well as their tap changers.
3. No. 2 132kV 20MVA transformer at Townlands was maintained as well as the tap changer.
4. All 132kV transformer oil samples were taken and gas analysis and di-electric tests were conducted on the samples. Only Central B 20MVA transformer oil was not satisfactory. The transformer oil was purified and is now up to standard.
5. The 132kV 15MVA transformer at Glen substation was sent to L H Marthinusen for repairs. This transformer has been reinstated in the network at a cost of ±R2, 6 million.
6. Lennoxton 20MVA 132kV transformer 11kV terminals erupted 3 times. The NER failed to operate causing extensive damage to the 11kV cables, terminations and SF6 breaker. Cost of repairs ±R221 000.
7. Lennoxton 20MVA 132kV transformer was energised (still awaiting delivery of 11kV SF6 breaker).
8. Central B 132kV 20MVA transformer was struck by lightning and sent to L H Marthinusen for repairs. Cost of repairs ±R700 000.
9. Topped up transformer oil at Nocturne m/s 3, Boundary m/s 8, Buchanon m/s 36 and Patterson s/s 20.
10. Main substation area lighting installed for cameras.
11. Maintenance carried out on Northdowns 11kV overhead line.
12. Maintenance carried out on Ngagane 11kV overhead line.
13. Maintenance carried out on Keyway 11kV overhead line.
14. Maintenance carried out on Boschhoek 11kV overhead line.
15. Maintenance carried out on Roy Point 11kV overhead line.
16. Maintenance carried out on Airport 11kV overhead line.

Repairs and Replacements:

1. Repaired 11kV ring main unit in Schönland Street (vandalism).
2. Replaced 400kVA transformer at First National Bank.
3. Replaced 150kVA transformer at Keyway Motors.
4. Replaced 16kVA transformer at Petronet.
5. Replaced 11kV ring main unit in Schönland Street.
6. Radio beacon 50 kVA transformer stolen.

7. Petronet 16kVA transformer stolen.
8. Replaced Schönland SF6 11kV breaker.
9. Repairs carried out to Riverside 132kV SF6 breaker.
10. Repaired Dover Gardens 11kV terminations.
11. Replaced Dover Gardens 11kV ring main unit.
12. Repaired Fern substation 11kV bussbars (damaged by white ants).
13. Replaced 11kV CT's in Schönland substation 11kV panel.
14. Repaired 11kV panel at Marconi substation 34 (rat damage).
15. Replaced Langley m/s 14 mini-substation (fire damage).
16. Replaced H J van Eck switching kiosk (fire damage).
17. Repaired 132kV 20MVA transformer oil leak at Central B substation.
18. Repaired Guttenberg m/s oil leak.
19. Repaired Marconi 62 oil leak.
20. Replaced oil in Gemsbok ring main unit.
21. Replaced 400Amp CFS in Memel 400V panel.
22. Replaced 400V panels in Harding s/s 39, Wessnek s/s and Voortrekker s/s.
23. Repaired 132kV jumper at SAR Traction "T"-off.
24. Commando mini-sub cables stolen (replaced same).
25. Replaced 2km 11kV overhead line with 150mm² 11kV cable to supply Keyway Motors and Kwamathukuza. Keyway Motors transformer replaced with a 315kVA mini-substation.
26. Lennoxton s/s incomer OCB's replaced with new SF 6 breakers.
27. Rewired 259 junction boxes at Kwamathukuza.
28. Built 200m low tension overhead line for Pluto water pump station (cable stolen).
29. Madadeni Engineering Works area lighting repaired.
30. Ferrum swimming pool high-mast lights repaired.
31. Rugby field high-mast lights repaired
32. Repairs carried out on the following 11kV overhead lines: Ngagane, Boschhoek, Trickey's and Roy Point.
33. Replaced 41 streetlight poles.
34. Replaced 22 robot poles.

New Installations:

1. Additional 315kVA mini-substation and 11kV ring feed installed at the Showground's.
2. Installed a 315kVA mini-sub for new S A Police offices.
3. Installed a new 315kVA mini-sub in Sutherland Street.
4. Installed a new 315kVA mini-sub at Colley Place.
5. Installed power supply for new ABSA building.
6. Upgraded Kirkland s/s 8 low tension cables.

7. Installed extra low tension cables to alleviate overload at North City.
8. Installed 2 x 150kVA transformers at Kwamathukuza.
9. A temporary 315kVA mini-substation was installed for the casino.
10. A temporary 315kVA mini-substation was installed for the Co-gen plant at Karbochem.
11. Installed power supply for new Casino.
12. Installed power supply for new Taxi City.

The desired workload figures were not achieved due to excessive breakdowns and a shortage of electrical staff.

PLANNING AND MECHANICAL SECTION

Planning

The staff compliment in the Planning Section consists of:

- One Engineering Assistant
- One Senior Technical Assistant

This section is doing the planning and control of the capital works.

- It compiles the tenders and tender documents.
- Manage the project on the installation of high mast lights.
- Electrical installations
- Electrical networks
- Compile Data and keep assets data up to date.

Mechanical Workshop

- ☐ The mechanical workshop is responsible for: Repairs to Council's vehicle fleet
- ☐ Maintenance of Council's vehicle fleet
- ☐ Health and safety compliance
- ☐ Control over vehicle parts
- ☐ Administer job cards – repairs and maintenance

Key Issues

- Lack of staff in critical areas.
- Lack of funds for repairs and maintenance as required by the NER.
- Theft of cables and equipment causing power failures.
- Lack of training – apprentices.

- Damage of cables by other entities – Telkom / uThukela.
- Lack of vehicles / old vehicles
- Procurement System
- Electricity Meters need to be replaced

Vandalism

Vandalism has become a serious problem. People are stealing electricity cables and cause large areas to be without electricity. This leads to consumer frustration and a loss of income to certain consumers. It is important that suspected cable theft be reported to the Electricity Department at (034) 312 1296.

DIRECTORATE INFRASTRUCTURE SERVICES (ROADS & STORM-WATER)

OVERVIEW

The Directorate is responsible for the provision, maintenance and administration of roads, storm-water drainage, municipal siding/exchange yard and municipal airport.

DESCRIPTION OF ACTIVITIES

The main functions are as follows:

- Roads & Stormwater
- Municipal Railway Siding / Exchange Yard
- Street Lighting
- Technical Support Services (Municipal)
- Buildings - Repairs & Maintenance)



1. Maintenance

- Tar patching.
- Maintenance (Sweeping of roads cleaning catch-pits and
- Construction of catch-pits and manholes.
- Repair and upgrading of sidewalks.
- Kerbing and channeling.
- Cleaning of open trenches, outfalls and stormwater.
- Grading of gravel roads.
- Maintenance of road shoulders.
- Stormwater control and related problems.
- Construction and major road repairs.
- Maintain clean water course, rivers and streams.
- Fencing, gates and railing repairs.
- Rehabilitation of mining areas.
- Resealing of roads.

2. MUNICIPAL RAILWAY SIDING

- To provide a safe & accessible civil infrastructure for trains & rolling stock.
- Improve, redesign curves.
- To provide & upgrade stormwater drainage on the railway lines.
- To reduce future high repair costs.

3. CAPITAL PROJECTS

- Construction of roads
- Construction of stormwater systems

DEPARTMENTAL OBJECTIVES

a) ROADS & STORMWATER

- To provide safe & accessible civil infrastructure for vehicles & pedestrian traffic.
- To provide & upgrade stormwater drainage

b) BUILDING MAINTENANCE

- To maintain Council property to a pre-determined standard.
- To prevent deterioration of Council property.



KEY ISSUES 2006/2007

- Gravel road upgrades - lack of funds.
- Stormwater upgrades - lack of funds (To compile a master plan for stormwater - proper maintenance).
- To improve catch pits which are continuously vandalised.
- Shortage of funds, equipment & staff.
- Lack of trained & experienced supervisory staff.
- Lack of administrative personnel to monitor performance.
- Budget constraints.
- Inadequate funding available for maintenance.
- Shortage of plant & machinery.

ANALYSIS OF FUNCTION

Staff compliment

PERSONNEL EMPLOYED	NEWCASTLE WEST	MADADENI	OSIZWENI	RURAL AREAS
Management	2			
Middle Management	3	1	1	0
Workers	61	17	20	0
Clerical	2	1	1	0
Contract Workers	20	13	8	0
Maintenance Cost	R3 510 410	R2 750 000	R2 000 000	R300 000
Resealing Cost	R0.00	R 0.00	R 0.00	0.00
Resealing km	0	0	0	0

	Description	Number	Cost
1.	Number and cost to employer of all personnel associated with road maintenance and construction		
		1	R 540 000
		26	R2 045 443
	▪ Professional (Engineer/Consultants)	8	R1 359 009
	▪ Office (Clerical/Administration)	152	R4 853 174
	▪ Field (Supervisors/Foremen)	0	R 0
	▪ Non-professional (outside workforce)	47	R1 800 000
	▪ Temporary Workers	279	R8 144 452
	▪ Contract Workers		
	Vacant positions		

	Description	Km	Cost
2.	Total kilometres and total value of road projects, planned and current	331	R 431 000 000
3.	<ul style="list-style-type: none"> ▪ New tar road (km) 		
	Total kilometres and maintenance cost associated with existing roads and stormwater provided	457	R 3 904 117
	<ul style="list-style-type: none"> ▪ Tar (km) ▪ Gravel (km) 	358	R 6 638 230
	Description	Total	Cost
4.	<p>Average frequency and cost of re-tarring, re-sheeting roads</p> <ul style="list-style-type: none"> ▪ Tar (resealing) (km) ▪ Gravel <p>Resealing is normally carried out annually, however, no funds were available for the past 3 years for this function, therefore resulting in a backlog of 70km at a cost of R31 000 000. Certain roads are progressively deteriorating and reconstruction is evident, thus costing Council millions of rands in additional revenue. We are now in a bottleneck situation.</p>	± 18	R 5 500 000
	Description	Total	Cost
5.	<p>Estimated backlog in number of roads, showing kilometres and capital costs</p> <ul style="list-style-type: none"> ▪ Tar (resealing) (km) ▪ Tar (rehabilitation/construction) (km) ▪ Gravel (East) (km) 	<p>70</p> <p>16</p> <p>324</p>	<p>R 31 000 000</p> <p>R 15 000 000</p> <p>R423 000 000</p>

<p>To provide a safe and accessible civil infrastructure locomotives and rolling stock.</p> <p>To provide and upgrade stormwater drainage on the railway lines.</p>	<p>Allocated funds utilised in 2006/2007 on project. This has been accomplished with the funds available, however, more funds are required in the future to maintain a better service level and quality.</p>	<p>509 720</p>	<p>509 720</p>
<p>To maintain Council property to a pre-determined standard.</p> <p>To prevent deterioration of Council property.</p>	<p>Allocation of funds utilised in 2006/2007 on project.</p>		
<p>GENERAL COMMENTS</p>	<ul style="list-style-type: none"> ▪ Good performance, good productivity and efficiency can be achieved in the section if plant, equipment and staff/labour are available. ▪ Efficient and effective communication is now taking place among role players for better action plans and performance reporting. 		

KEY ACHIEVEMENTS FOR 2006/2007

Capital projects

- Allen Street re-alignment (Completion of final stage)
- Osizweni E & F Sewer reticulation
- Stafford Hill Sewer reticulation
- Construction of MD29 Road, Madadeni
- Construction of OB110 Road, Osizweni
- EIA Scoping Reports
- Repair/upgrade railway siding
- Allen Street re-alignment (Final stage)
- MD29 Road
- OB110 Road
- Soul City Sanitation



Major Maintenance

- Opening & cleaning of streams & open drains.
- Construction and upgrading of stormwater systems.
- Upgrading of sidewalks.
- Roads constructed in Madadeni & Osizweni.
- Regravelling & grading of gravel roads in Madadeni & Osizweni.
- Major road repairs.
- Major upgrading of railway siding.



PRELIMINARY PLAN FOR 2007/2008

- Outcomes - to be monitored to ensure customer satisfaction.
- Improve on reporting systems: Action Plan & performance reporting.
- Ensure a safe & accessible civil infrastructure for vehicle & pedestrian traffic within available resources.
- Upgrading stormwater systems within available resources.



DIRECTORATE INFRASTRUCTURE (PROJECT MANAGEMENT UNIT)

OVERVIEW

Mission Statement

"To provide basic infrastructure to the community in the most cost effective and efficient way with due consideration of safety and health to the community and staff."

The aim of the PMU is to see that all communities within Newcastle Municipality's area of jurisdiction are provided with basic infrastructure (Access Roads; Water and Sanitation) in a sustainable manner.

KEY PERFORMANCE AREAS

- Bulk water and sewer construction.
- Access roads construction.
- The strategic objection of this function is to provide at least a minimum level of service for all consumers within the Newcastle municipal area.



DESCRIPTION OF THE ACTIVITY

CURRENT PROJECTS

ROADS:

The road construction responsibilities of the Municipality are as follows and include:

- the tarring of access roads in Madadeni and Osizweni and the construction of access roads in Johnstown, Blaauwbosch, Cavan and surrounding areas within the Municipality's jurisdiction.
- R7, 5m was allocated to construct Madadeni link roads, Eastern Wards and Western Wards, and an additional R7, 5m was allocated to construct Osizweni link roads, Western Wards and Eastern Wards. The construction starting date for both Madadeni and Osizweni link roads was April 2007 and should have been completed in August 2007.



Tenders for the construction of roads in Madadeni and Osizweni were awarded as follows:

- Madadeni Link Roads - Eastern Wards:
M.E Mazibuko Transport
- Madadeni Link Roads - Western Wards:
Thami Ngcobo & Associates
- Osizweni Link Roads - Eastern Wards:
BTE JV 3G Civils
- Osizweni Link Roads- Western Wards:
Mageza Trading



Name	Name of roads	Budget	Contract Value	Total road length	Progress to date
Osizweni Link Roads- eastern wards	OSIZ6, OD3, OD11, OD39, OD45 and OD43	R3.5m	R 2,960,696.63	3185+ km	
Osizweni Link Roads- western wards	OB15, OB21, OB103	R3.5m	R 2,899,451.15	2.264 km	
Madadeni link roads - eastern wards	MF24, MF22, MP12, MP16, MP37, 38 & 39	R3.5m	R 3,008,155.05	3.281 km	
Madadeni link roads - western wards	MC30, MA27, MB5, MD4, 41, 44	R3.5m	R 3,205,403.32	3.297 km	

Name	Name of roads	Budget	Contract Value	Total road length	Progress to date
JR3 link road and bridge		R3.574m		1.83 km	The base layer is 95% complete and the culverts are in. The overall project is 85% complete. This contract has been delayed due to the relocation of the houses and Eskom poles that were situated in the way of the road and bridge to be constructed
JR2 LINK ROAD		R2.786m	R2.786m	2.4 km	The construction is complete according to the funds that were available, but it is not tarred
Mad4 – Asiphephe link road		R4.736m	R4.736m	1.14 km	

WATER AND SANITATION:

Bulk Water and sanitation construction responsibilities of the Municipality are administered as follows and include the construction of bulk water and sewer reticulation in Osizweni E & F and Stafford Hill (Section 7 Madadeni)

STAFFORD HILL WATERBORNE SEWAGE PROJECT PHASE II

This project is constructed by two contractors; V-Dan/Bob's Construction JV and Ingwe Construction. Maximum local labourers and sub-contractors have been employed.

- o The construction of a sewer and water reticulation system on the sidewalks of Stafford Hill Township in Section 7 Madadeni.
- o Status - 72% complete
- o Project Value - R 31,449,999.66
- o Amount Spent - R 24, 260, 411.77
- o Dates - Start : 16 March 2006
Finish: 31 March 2008
- Construction of the water pipeline
- Construction of water pipeline
- Construction of sewer pipeline
- Osizweni e & f sewerage scheme



Maximum local labour and Sub-contractors have been employed and the number is expected to increase in the construction of phase II which will start in January 2008.

Phase II has been awarded to the same contractor that did phase I, V-Dan/Bob's Construction JV

OSIZWENI E & F SEWERAGE SCHEME PHASE 1

- o Sewer pipe line 99% Complete
- o Water pipe line 100% Complete
- o Toilet Structures 100% Complete
- o Internal Reticulation 59% Complete
- o Stand pipes 48% Complete
- o Manholes 90% Complete
- o Pumpstation 20% Complete



PMU APPROVED PROJECTS

1. JR1 Access Road & Stormwater
2. Dickshalt Township Roads & Stormwater
3. Madadeni Roads & Stormwater Phase I
4. Osizweni Roads & Stormwater Phase I
5. MAD4 – Asiphephe Bridge

PMU FUTURE PROJECTS

- o Johnstown Sanitation
- o JR4 Access Road & Stormwater
- o Blaauwbosch Sanitation
- o Cavan Sanitation
- o Leslie Sanitation
- o Charlestown Roads & Stormwater Rehab Phase 1
- o Ingogo Community Hall / MPCC
- o Charlestown MPCC Rehab
- o Stafford Hill Community Hall / MPCC
- o Newcastle Landfill Site
- o Drycut Cemetery
- o Madadeni Fire Station
- o CBD Paving Madadeni
- o CBD Paving Osizweni

COMMUNITY FACILITATION

- o The Project Steering Committees are responsible for the recruitment of labourers and labour disputes working closely with the Community Facilitation Consultant and the Municipality's Community Development Officer.

CHALLENGES

Projects not starting on Time or Projects not finishing in Time due to:

- o Not enough funds available
- o Late Business Plan approvals
- o Political issues
- o Supply of Material
- o Relocation of houses
- o Contractors' cash flow problems

ANNEXURE A: FINANCIAL STATEMENTS

**ANNEXURE B: REPORT OF THE PERFORMANCE AUDIT
COMMITTEE**

ANNEXURE C : ANNUAL PERFORMANCE REPORT 2006/2007